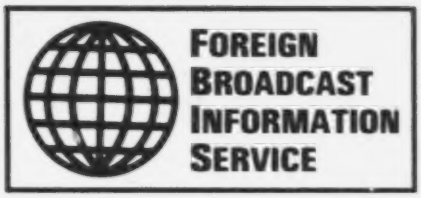

Daily Report

Latin America

FBIS-LAT-88-004
Thursday
7 January 1988

Daily Report
Latin America

FBIS-LAT-88-004 *7 January 1988*

CONTENTS

CARIBBEAN

Cuba

Castro Addresses Water Resources Group 25 Dec 1
R. Castro Tours Guantanamo Border Stations 2
1986 Incentives Distributed After Study 2
Soviet Foreign Trade Minister Arrives 3
Switzerland Extends Trade Protocol 3
Risquet Greets Ugandan Secretary of State 3
Cooperation Talks Begin 3
Brazilian Governor Studies Nation's Schools 3

Caricom

Meeting on Haiti Begins; Haitians Attend 4
Leaders Reach Compromise 5
Future Government Rejected *[AFP]* 5

Haiti

Former Officials Prevented From Leaving 5
CEP Registers 21 Presidential Candidates 6
MOP's Gerard Philippe Auguste To Run 6
New Workers, Peasants Front Party Created 6
Francois Latortue Not To Run on 17 January 7
CED Issues Statement on 17 Jan Elections 7
Groups Comment on Situation, Elections 8
CNG Decrees 31 Jan Date for CASEC Elections 9
Cayes Electoral Offices Face Problems 9
PUCH Books 'Pillaged' in Cap-Haitien 9
Groups Ask Military Not To Shoot at People 10

MEXICO

PAN To Establish 'Civil Resistance' Groups *[EFE]* 11
Comment on, Reaction to Foreign Debt Bond Plan 11
Politicians' Reactions Mixed *[UNOMASUNO 31 Dec]* 11
Business, Labor Leaders Supportive *[UNOMASUNO 31 Dec]* 12
Paper: Plan Represents Progress *[EXCELSIOR 31 Dec]* 12

CENTRAL AMERICA

Guatemala

Cerezo Announces Social Reforms for 1988 *[ACAN]* 13

Nicaragua

President Dicusses Verification Commission 13
Verification Commission Holds Meetings 15
Obando y Bravo Reports 15
Erick Ramirez Comments 15
Visits Business, Rights Groups 16

Vice Foreign Minister on Peace Process 17
Interior Official on CIA-Rightist 'Contacts' *[BARRICADA 5 Jan]* 18
Denby Statements to Security Groups Cited *[EL NUEVO DIARIO 5 Jan]* 19
UN Ambassador Astorga Said 'Gravely Ill' *[Hamburg DPA]* 20
'Liberal' Paper PASO A PASO Restarted 20

Panama

Columnist Says U.S. Ambassador Davis 'Liar' *[LA ESTRELLA DE PANAMA 6 Jan]* 20

SOUTH AMERICA

Argentina

Central Bank Adopts Minidevaluation System *[CLARIN 6 Jan]* 21
Trade Balance Falls 70 Percent Jan-Sep 1987 *[EFE]* 21
Fishing Vessels in South Atlantic Seized 21
Japanese Boat Apprehended 21
ROK Vessel Seized 21

Bolivia

COB Calls Off 7 January General Strike *[EFE]* 21
Cabinet Resignations Denied *[AFP]* 22
Paz Rejects "Irregular" Government Changes *[EFE]* 22
President Not To Seek Reelection in 1989 *[EFE]* 23
Armed Forces Not To Increase Narcotics Fight 23

Brazil

Sarney, Finance Minister Speak at Swearing In 23
Australia Grants 5 Chilean Refugees Asylum *[O GLOBO 6 Jan]* 24

Chile

Reversal of U.S. Decision on Sanctions Sought 24
Businessmen Resist Sanctions 24
Decision Said 'Discriminatory' 25
Minister Seeks ILO Help 25
Finance Minister Announces Economic Measures 25
Parties, Groups View Plebiscite, Strategies 26
PDC Sets Course of Action 26
Further on Aylwin's Remarks 26
Socialist's Nunez Cited *[EFE]* 27
MAPU Proposes Opposition 27
Bomb Explosion at Linares Town Hall Reported 28

Colombia

Government Protests to U.S. on Restrictions *[EFE]* 28
3 'Medellin Cartel' Leaders Report to Judge *[EFE]* 28
Detention Not Ordered 28
Correction to Justice Minister on Ochoa Release 29

Paraguay

Minister Defends Drug Policy, Political Process *[ULTIMA HORA 6 Jan]* 29
PLRA Leader Charges Election 'Agreement' *[EL DIARIO 6 Jan]* 29

Cuba

Castro Addresses Water Resources Group 25 Dec

FL061250 Havana Tele-Rebelde Network in Spanish 1419 GMT 26 Dec 87

[Speech by Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, to close the national meeting on developing water resources held on 25 December at Havana's Palace of Conventions—recorded]

[Text] Comrades, this is a meeting of veterans, of those who know the history of water projects, of serious, experienced, trained people. This is a meeting of water project veterans, of old revolutionaries. Yes, old revolutionaries, but not so old they can't straighten all this out. I believe that by straightening all this out now we will be able to work better than before. We won't have the brand new equipment we once had, when we had almost everything new. But we possess invaluable experience. Many of us have had more than 20 years of revolution. We have learned a great deal, we have learned to find solutions with a spirit reflected in the things you have accomplished this year. You looked for the equipment, you put it together.

I say we are at a meeting of men of honor. You are not all men; there are some women comrades as well. That is why we should say a meeting of men and women of honor. [applause]

We have the task of straightening all this out, in this area we have called developing water resources. It is all part of one thing, the rectification of errors, of negative tendencies in order to move the country forward. We can do it with these resources.

This is like a war. Today we have rifles, cannons, rockets, and who knows what else. But I remember the war when we went around with those small-caliber rifles. They (?were) automatic rifles. I remember us, more than once, fixing the rifles because we were missing a screw. We even had to use a piece of wood for the pin lost by one of those small-caliber rifles. I saw some of our weapons, automatic weapons, which worked only because we had fashioned the missing pin out of wood. We never let a rifle go to waste. Neither did we throw it out.

There are some people around who have received many rifles to wage wars of [words indistinct] but all they do is throw them away most of the time. We never received a small-caliber rifle from anyone. We had to take it away from the enemy. We had to fix it, keep it oiled, and make the most of it. We saw that Batista had his planes, tanks, and cannons, and we, with our small-caliber rifles and our mines, won the war.

So, the thing now is to make do with what we have; to come up with a big program, an ambitious program. We have to come up with ambitious programs because I am sure everyone here wants to see the project finished. Isn't that right? Everyone wants to see the dam built, the agricultural plans. Everyone wants to see us win the battle of the drought.

We don't have the necessary water. We have to see how best to use it.

It was a great satisfaction for all yesterday to see El Gato Dam. It was a complicated, complex, and difficult project; but it was well planned, with all its substations. They could not be seen on the surface because they are underground, but you could see the substations for the 17 wells, the automatic controls, the water tanks for chlorination and for peak demand supply. It was a well thought out, well-executed project. It was built fast. From the time we decided to do it, we built it in 2 years—6 months early.

You have saved the capital from a terrible (?fate) because, Comrades, the situation in the capital was unbearable. After several years of drought it was becoming a tragedy. I don't know what would have happened in 6 month's time if we had not had El Gato Dam.

It was a good job and the people realize it. The people are grateful. This shows we can accomplish great things when we work in earnest. We should never again allow anyone to disturb our work with strange ideas. They turn us into idiots, into irresponsible fools. They make us stop being revolutionaries, because they make us play around. The revolution was not made that way. The revolution was not defended this way.

We must say that patriotism in these past years took refuge in the defense of the country, in that readiness to fight, to make efforts. Unfortunately, in the economic area we had been losing the best habits, the best principles, the volunteer work that had disappeared. That spirit that today fills us with admiration had been languishing. We truly did not know where we were heading. I do know where we are heading on the course we are on now.

I have seen it. I see it everywhere these days. I want you to know that I have seen 24 child care centers. It is not that I like child care centers more than I do aqueducts, dams, or micro-dams. It's that the child care centers became a symbol of the new spirit. I want you to know, Comrades, that we are going to inaugurate child care center No 54 on 29 December. [applause] There's one detail I must correct. I meant child care center No 50 on the 29th and No 54 on the 30th. That's the difference. We have four more centers, built without any problems, built with quality, with the people working. That is why I wanted to see them.

I visited many of those child care centers in the early morning hours. The people were working day and night. There were many people, young women who had children, members of the Union of Young Communists. They went with their children to another municipality where their workplace was. But since it was nighttime and they could not leave their children in the center, they took the children to their mothers. They went to the site of the child care center under construction, they worked all night, and the next day they took the children to their own child care centers and went on to their jobs. They did this once a week—a sleepless week. Many people, many young people, youngsters working, the elderly.

And we met a lot of admirable, amazing people. The other day I met a man, a 68-year-old man who had retired last year from a tobacco factory. He was given a diploma for 1,685 hours of voluntary work at the child care center. When I asked him why that had not been announced, he didn't want me to even talk about it. He was embarrassed. Another young man, a member of the social minibrigades, worked 1,000 hours. A party member in Old Havana worked 1,500 hours. Now when a female member of a minibrigade works 1,500 hours, it means 1,500 hours over the 10 hours. [sentence as heard]

There was a teacher who was a member of a social minibrigade who worked 1,080 hours. I found this admirable. I asked her: How did you manage? What time did you start? At 0700. There was no stopping. We went on until 0700 the next day, until 1900. That is, she started today at 0700 and finished tomorrow at 1900. Saturday, Sunday. I saw a series of impressive things.

That is the spirit I am talking about. If it spreads all over, who knows how far we can go. I have seen a lot of these heroic feats in my visits to the child care centers. They have become commonplace, everyday things. Now that we are rectifying, I feel we can do much better than ever before. We have made mistakes of one kind or another. If we take advantage of all the experience we possess, we can do better than ever, better than ever [repeats himself].

We have much better trained people, more serious, responsible, and experienced people. We have tremendous resources. We don't have to change men. What we have to change are concepts. The people who are performing feats in Pinar del Rio are not specially selected people. They are the same people who were there before. That is what we want you to do: go back, take these ideas with you, think about everything that has been discussed here, and think what each one of you has to do to implement this program in this field.

Next year we will take the time to make a complete analysis of how this year went. We will prepare an account. It is a very good method. We have done it with the enterprises [words indistinct]. We have done it with the doctors and hospitals here in the capital. We will draw up a working plan and then meet to see how it has gone. We will discuss everything, each one in his own field.

We will meet again in about a year. I am very impressed. I did not attend the whole meeting but I know that you have done an excellent job this year. The party has worked hard. It has held hundreds of meetings. The problems of each one of the brigades, of the projects, have been examined one by one. You have come here with your work done. I believe next year... [changes thought] You can see the progress of this year already. We will be able to see a leap forward next year. I feel the biggest leap will take place in 1989.

It will take us some time to organize these minibrigades. When we have 10 or 12 new brigades, it will be 1989. When we are able to send the modest resources we are going to send to the rest of the brigades, it will be mid-1989 or late 1989.

At any rate, I believe there will be a big leap next year. I think this has been a good year, a historic, decisive year for water resources development, but next year will be better.

I leave you with this conviction. I would like to take this opportunity to wish all of you, professionally and personally, a better year in 1988, a happier year. [applause]

R. Castro Tours Guantanamo Border Stations

PA051453 Havana International Service in Spanish 1600 GMT 4 Jan 88

[Text] General of the Army Raul Castro, minister of Cuba's FAR, on 31 December and 1 January toured the border brigade units of Guantanamo Province. That is where the U.S. Caimanera Naval Base is located, contrary to the wishes of the Cuban Government and people.

During the tour, Raul Castro, who is also second secretary of the Communist Party of Cuba, and his companions paid tribute to Luis Ramirez Lopez and Luis de la Rosa Callama, martyred soldiers of the brigade.

On the evening of 31 December, General of the Army Raul Castro awaited the New Year and the 29th anniversary of the Cuban revolution alongside the dedicated fighters of the Guantanamo border forces.

1986 Incentives Distributed After Study

FL011447 Havana Tele-Rebelde Network in Spanish 1200 GMT 30 Dec 87

[Text] In January, 669,818 workers from 373 units and enterprises in the country will receive the benefits of the 1986 material incentive fund. This will be done following a study charged by the Central Group to a committee made up of state organizations with the participation of

the CTC [Central Organization of Cuban Trade Unions] and the trade unions. This will afford recognition of those labor collectives which did not show distortions in their accounts and whose economic and financial results were not questioned during the audits conducted to control the execution of their respective plans and the situation of the basic and rotational means. Also, these labor collectives did not incur violations of wage and price policies.

It was recommended to those enterprises left out of this group that they should explain to their workers the negative results brought to light by the audits so they can proceed to resolve the problems which might still be affecting the enterprises.

In regard to 1987, the study said it was necessary to adjust the bases on which these benefits are established and awarded by using stricter indexes, although from 1988 on they may be modified as part of the review currently underway of the mechanisms of the economic planning and management system.

Soviet Foreign Trade Minister Arrives

FL042255 Havana Radio Reloj Network in Spanish 2032 GMT 4 Jan 88

[Text] Boris Aristov, member of the CPSU Central Committee and Soviet minister of foreign trade, flew into Havana today with his delegation. The group, which was received at the Jose Marti Airport by Cuban Foreign Trade Minister Ricardo Cabrisas, will hold talks with their counterparts at the Foreign Trade Ministry to conclude and sign a trade protocol for 1988.

Aristov, who is visiting us for the first time, will meet with party and government leaders to examine the state and prospects of USSR-Cuba trade cooperation. He is scheduled to tour economic centers involved in our voluminous and dynamic mutual trade through 11 January.

Switzerland Extends Trade Protocol

FL011306 Havana Tele-Rebelde Network in Spanish 1200 GMT 31 Dec 87

[Text] A protocol extending the trade agreement between the Cuban and Swiss Governments for another year has been signed in our capital during a ceremony at the Foreign Ministry. The protocol was signed by Jose Raul Viera Linares, acting foreign minister, and Peter Hollenweger, Swiss ambassador to Cuba. The two governments' decision to extend this trade agreement seeks to further develop commercial ties on a mutually satisfactory basis.

Risquet Greets Ugandan Secretary of State

FL051728 Havana Tele-Rebelde Network in Spanish 1330 GMT 5 Jan 88

[Text] Mr Reiya Kategaya, Ugandan secretary of state in the Prime Minister's Office and member of the National Resistance Council, and his delegation arrived in Cuba this morning at the invitation of our government.

The high-level Ugandan leader is heading the delegation which will participate in the first Joint Intergovernmental Cuban-Ugandan Commission.

PCC Politburo member Jorge Risquet Valdes welcomed the delegation.

[Begin recording] [Kategaya, in English with simultaneous Spanish translation] I have stated that we previously established cooperation in different areas, different spheres, such as health and commerce. Our goal, specifically, is to strengthen those relations, the ties that have already been established.

[Reporter, in Spanish with simultaneous English translation] Regarding the impending visit of President Museveni here to Cuba, how do you see the state of relations between Cuba and Uganda?

[Kategaya] Very good and very revolutionary. I would also like to say we have known our Cuban comrades since we were students, since the 1960's. [end recording]

Cooperation Talks Begin

FL060058 Havana Radio Rebelde Network in Spanish 0000 GMT 6 Jan 88

[Text] Foreign Trade Minister Ricardo Cabrisas is representing Cuba at the first session of the joint intergovernmental committee for cooperation between Cuba and Uganda taking place in Havana. Eriya Kategaya, minister of state in the office of the Ugandan prime minister, came to our country to attend the meeting.

Cuba imports agricultural products from Uganda and in return gives Uganda sugar, medicine, equipment, machinery, and other basic development goods. The documents examined at this first session will form the basis for the development of Cuban-Ugandan cooperation during the next 2 years.

Brazilian Governor Studies Nation's Schools

FL052240 Havana Radio Reloj Network in Spanish 2011 GMT 5 Jan 88

[Text] Mato Grosso Governor Carlos Gomes Bezerra, who is visiting our country, has said his state must find methods and ways to improve education there. The Brazilian official said schools go only up to the fifth grade, and that is why those who want to further their studies must move to other states. He added the situation in his state is chaotic; there are thousands of youngsters without schools, teachers do not possess adequate training, and educational facilities respond to the needs of the ruling elite. He pointed out that what elementary school students learn is obsolete. The schools teach them that man must resign himself and accept everything imposed on him, which is very far from what they would like.

Jose Ramon Fernandez, alternate member of the PCC Politburo, minister of education, and vice president of the Council of Ministers, received the Brazilian delegation and listened to their concerns. He offered a solution to the distinguished visitors, telling the governor Cuba would welcome a group of teachers from the Mato Grosso region so they can observe, get information, and learn about Cuban teaching techniques. Fernandez explained our country is ready to receive them and to work together with them so they can learn everything about pedagogy in Jose Marti's fatherland. He told the visitors Cuba's annual education budget is 1.7 billion pesos.

Caricom

Meeting on Haiti Begins; Haitians Attend

FL0061855 Kingston Domestic Service in English 1700 GMT 6 Jan 88

[By (Cheston Bass) and Mike Goddard from Heywoods Inn in St Peter, Barbados; passages within quotation marks recorded]

[Text] Haitian delegates to the Caricom meeting in Barbados have called for an international trade embargo against Haiti. They feel it would pressure the authorities to install a government chosen by a majority of the people.

(Cheston Bass) reports from the Heywoods Conference Center that Caricom leaders are going in to this morning's session determined to find the solution to the Haitian problem:

Former leading presidential candidate Louis Dejoie has likened the treatment of the Haitian people over the past 2 decades and in recent times to the Jewish holocaust. He called on the military-led provisional government to resign or depose from office.

[Dejoie] "We're asking all the nations that are trading with us and members that are not trading with us to put (?a grain of salt) in its [words indistinct] now see if we can come to an agreement where there will be a global trade embargo on Haiti so we can put the pressure on the government to resign and a new democratic government can be early elected with the conditions [words indistinct] to democracy can be done to the satisfaction of the Haitian people."

The Haitian delegation insists that widely-condemned elections scheduled for January 17 must be stopped. Mr Dejoie says an international peace-keeping force to ensure the democratic forces, if stifled, should only be a last resort. Meantime, Barbados' Prime Minister Erskine Sandiford says this country will f'lly back whatever Caricom decision is reached.

[Sandiford] "They're going into the meeting with an open mind, seeking and creating solutions to the problems, the response of Caricom to the situation."

Dominica's Eugenia Charles says Caricom has to be cautious because it was last accused of interfering in Grenada's affairs.

[Charles] "Yes, I'm quite sure we will have an agreed position at the [words indistinct] meeting of how widely we can help and whether, in fact, if Haiti wants our help. Don't forget the [words indistinct] conference condemned us and is still condemning us for Grenada, saying that we invaded Grenada when we knew that Grenadians wanted us to come in [words indistinct]. They wanted us to come in."

Grenadian leader Herbert Blaize is optimistic about the outcome.

[Blaize] "It has to come off because Caribbean people are sensible people or will come to some other time. All right?"

[Speaker] "I'm sure you'll find (?something).

[Blaize] "We will. We will. We came here for that purpose and if we don't see it, we (?might need) another appointment."

The leader of the Haitian delegation, Jean-Claude (Bajoie), says there is no option but to oust the current provisional government and says a Caricom consensus condemning the regime and refusal to recognize any government that's put in its place is an important first step.

My collegue Mike Goddard says Caricom leaders are hopeful. There is an air of optimism here. It appears that most participants are expecting some sort of consensus. The greetings have been warm and when conference chairman John Compton arrived, he rushed off to a closed-door session with Mr Sandiford.

The St Lucian prime minister was among the last people to arrive at Heywoods and the meeting which was scheduled to start at 1030 got underway some 45 minutes late.

No opening ceremony had been planned and the members of the local, regional, and international media covering the conference smiled when told that there might be short speeches at the beginning.

However, the smiles were soon wiped away as we were told only photographers will be allowed in.

Apparently all of the leaders with the exception of Edward Seaga of Jamaica had agreed to the short speeches and so there was no official opening session.

There were some brief showers in St Peter this morning but the sun soon broke through reflecting the bright spirits of the Caricom leaders as they looked with optimism to a viable solution to Haiti's political problem.

Leaders Reach Compromise

FL070138 Bridgetown CANA in English 0130 GMT 7 Jan 88

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Jan 6, CANA—After arguing for hours over whether their emergency talks on Haiti were under the aegis of the Caribbean Community (Caricom) or the wider Caribbean, regional leaders Wednesday night agreed on a compromise and reported some headway on the substantive issue before their informal one-day meeting here.

St Lucia's prime minister John Compton, current chairman of the 13-nation Caricom grouping, told reporters as the regional leaders adjourned for dinner, that three key areas had been addressed so far.

"First, we are not satisfied with the procedures for the elections," he said. "We suggest that they should reform the whole thing so that it could have the minimum acceptable criteria for international acceptance, (and) number three, we have agreed that if these things are done, then we will mount an initiative to assist Haiti to get back into the mainstream of the inter-American system, both economically, socially and politically."

"I think that is the gravamen of the communique."

Compton added: "You know the Caribbean. We always quarrel but we always end up getting a consensus, (but) we don't break up anymore," said St Lucia's prime minister John Compton, confirming the decision to regard the meeting as a Caricom/Caribbean one.

The conference at which seven Caricom heads of government were present, was prompted by an escalation of the Haitian crisis after violence by thugs linked to the ousted Duvalier dictatorship forced cancellation of the country's first free poll in 30 years last November 29.

Subsequently, military leader General Henri Namphy disbanded the independent commission that organised the aborted poll, and rescheduled the election for January 17 with the Army in virtual control—a move that has evoked widespread criticism both inside Haiti and the region.

Future Government Rejected

PA070433 Paris AFP in Spanish 0352 GMT 7 Jan 88

[Text] Bridgetown, Barbados, 6 Jan (AFP)—Jamaican Prime Minister Edward Seaga today stated that the future government of Haiti, elected by the system currently underway, will not be recognized by Caricom.

Seaga issued the statement during a meeting of Caricom heads of state and representatives to review the situation in Haiti, on the eve of the general elections scheduled for 17 January.

Reliable sources in the Caribbean organization said it is unlikely Caricom will ask the OAS to send an international peace force to supervise the elections in Haiti.

The forum is being attended by the prime ministers of Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, St Lucia, and representatives of Antigua-Barbuda, Montserrat, St Christopher and Nevis, St Vincent and the Grenadines, and Trinidad-Tobago.

Five Haitian political leaders, including Louis Dejoie, president of the National Agricultural and Industrial Party, are also attending the meeting.

Two Haitian leaders were arrested when they were preparing to leave Haiti on Tuesday en route to Bridgetown, according to a Haitian political leader.

The same leader said: "We hope the (Haitian) Government is isolated. That is why we request everyone's help, beginning with our Caribbean brothers."

According to diplomatic sources, a Caribbean specialist of the U.S. Administration is expected to join the meeting on Wednesday.

Haiti

Former Officials Prevented From Leaving

FL062120 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 6 Jan 88

[Text] The authorities have announced elections for 17 January, but persecution against everyone involved in the struggle for the full salvation of Haiti continues.

Thus, yesterday, two citizens who worked under the former Provisional Electoral Council [CEP]—which the authorities disbanded on 29 November—were prevented from leaving Haiti. Their passports were seized at the Port-au-Prince airport.

The authorities have not given any reason for this measure taken against Mr Jean Robert Sabalat, the former director of the Departmental Electoral Office of the Department of the West, and Jean Claude Roy, former head of the CEP's Data-Processing Department.

The same thing has happened to the first CEP president, Dr Ernst Mirville, and to Dr Turneb Delpe, who is the head of a Haitian political party, the National Democratic and Progressive Party of Haiti [Parti National Democratique Progressiste d'Haiti, PNDPH]. The Haitian authorities prevented them from leaving the country but never explained why.

CEP Registers 21 Presidential Candidates

FL062136 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Jan 88

[Text] The Provisional Electoral Council's [CEP] news service has published the list of candidates who will run for president in the coming 17 January elections.

The CEP news service announces the following citizens have filed their candidacies for president: Claude Raymond, Dumas Jean Arnold, Alphonse Lahens, Dieuveuil Joseph, Herve Boyer, Clovis Desmor, Jean L. Theagene, Hector Estime, Lesage Chery, Michel Lamartiniere Honorat, Edouard Francisque, Jean Julme, Hubert de Ronceray, Clemard Joseph Charles, Leslie F. Manigat, Gerard Philippe Auguste, (Paul Antoine Cola), Etienne Raphael Francois, (Frank Joseph), Richard Vladimir Jeanty, and Gregoire Eugene.

A total of 21 citizens will be running for president of Haiti.

The news release is signed by (Gerard Bretou), director for training and motivation, CEP.

MOP's Gerard Philippe Auguste To Run

FL052341 Port-au-Prince Radio Nationale in Creole 1400 GMT 5 Jan 88

[Text] A communique from the Movement for the Organization of the Country, MOP, yesterday announced that Mr Gerard Philippe Auguste will be the MOP's presidential candidate in the 17 January elections.

The communique said that the MOP's candidate will participate only if the elections are well-organized general elections, held nationwide in a climate of security for all. The communique added that the MOP's administrative council is reserving the right to withdraw from the race if the conditions prescribed in the Constitution are not fully respected, especially Article 291, which excludes zealous partisans of the Duvalier regimes from holding public office for 10 years.

The MOP also demanded that conditions be such that free, open, and honest elections are possible. It added that it is difficult to participate, but that abstention by everyone would constitute a danger to the nation. It would be like abandoning the ship to the pirates threatening to board it.

Rather than the humiliation of asking for one form or another of foreign intervention or abstention—both of which are unpatriotic decisions—the MOP chooses conditional participation, said the new candidate.

Philippe Auguste is a 64-year old agronomist. Under the dictatorship he lived in exile in Africa, where he was a UN expert. He has the reputation of being a serious candidate for president.

The MOP, which was founded by Daniel Fignole under the name Workers and Peasants Movement [Mouvement Ouvrier-Paysan], was an important populist party during the fifties.

Auguste was the seventh candidate for president to be accepted by the former Provisional Electoral Council, after Leslie Manigat, Gregoire Eugene, Hubert de Ronceray, Lamartiniere Honorat, Dumas J. Arnold, and Dieuveuil Joseph.

New Workers, Peasants Front Party Created

FL062223 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 6 Jan 88

[Text] People are wondering if the followers of Daniel Fignole [of the Movement for the Organization of the Country, MOP, headed by Gerard Philippe Auguste] are becoming divided because a new political party called the Daniel Fignole Workers and Peasants Front [Front Daniel Fignole Ouvrier-Paysan] has just been formed. Here is what the organizations's first news release says:

We workers, peasants, and patriotic intellectuals—independent groups from Petit Goave, Miragoane, Grand Goave, Leogane, Croix des Bouquets, Jacmel, Arcahaie, Port-au-Prince, the United States, and Canada—have decided to come together into a political party under the name Daniel Fignole Workers and Peasants Front. We are doing this in accordance with the Constitution of 1987.

Our political objective is to attain power in order to (?put at the head of) the country a democrat who can uplift the working and peasant masses (?and bring them into society) and who can guarantee the well-being of everyone, without distinctions based on color, religion, or political opinions. We wish in this way to pursue the struggle begun in 1945 at the initiative of Professor Pierre Eustache Daniel Fignole and to work to make his patriotic, nationalistic dream a concrete reality.

During this organizational stage, the members of the leadership currently being formed will not yet make their names public. They will remain anonymous until the party's manifesto is published. Thus, only the general coordinator is authorized to sign notices, communiques, or any other documents directly or indirectly committing the party called the Daniel Fignole Workers and Peasants Front.

To avoid any errors or possible confusion in reference to the front's present position, the leadership being formed hastens to inform national and international opinion that the front's members are not seeking any elected office at this time. Consequently, the front will neither present nor support any candidates in the coming 17 January elections.

That was a news release from the Daniel Fignole Workers and Peasants Front signed by (Louis D. Tanis), an engineer, general coordinator of the front.

Francois Latortue Not To Run on 17 January

FL052308 Port-au-Prince Radio Nationale in Creole 1400 GMT 5 Jan 88

[Excerpt] Francois Latortue, a former presidential candidate and the president of the Democratic Movement for the Liberation of Haiti/Democratic Revolutionary Party of Haiti [Modelh/PRDH], yesterday announced he and his party will not participate in the coming 17 January elections.

The decision not to participate was reached unanimously by the Modelh/PRDH's administrative committee after studying the situation in Haiti.

The 69-year-old lawyer is a former minister of the National Government Council. He became president of the Modelh/PRDH after the party's founder, Mr Louis Eugene Athis, was assassinated on 2 August near Leogane. [passage omitted]

CED Issues Statement on 17 Jan Elections

FL051535 Port-au-Prince Radio Metropole in French 1145 GMT 4 Jan 88

[Excerpts] In a message read over Tele-Haiti on 2 January, a copy of which was sent to Radio Metropole, the Committee for Democratic Understanding [CED] reaffirmed its determination not to participate in the 17 January elections.

The CED consists of the MIDH [Movement for the Implementation of Democracy in Haiti], PDCH [Haitian Christian Democratic Party], PAIN [National Agricultural and Industrial Party], and the FNC [National Concerted Action Front].

Speaking in turn, the three leaders also reaffirmed their faith in true democracy.

Mr Gerard Gourgue said 1987 was a bad year. Violence and intimidation reappeared on the scene as a formula for governing. [passage omitted] Not a single guilty party has as yet even been identified, much less arrested and brought to trial, he said. [passage omitted]

Pastor Sylvio C. Claude stated that the CED's position is one of principle. The PDCH president also reiterated his determination to not participate in what he calls the masquerade of 17 January. He said: We want a better future for Haiti. We want frank, honest dialogue with the people to free it from extreme poverty, tyranny, and humiliation.

Further on, Claude said, and we quote: We formed the CED out of love for our country at this tragic and painful moment in its history. We have agreed to sacrifice our personal interests. It is a necessary sacrifice, but also the least we can do to preserve our chances for a future and not aggravate the existing confusion.

Marc Bazin, for his part, said he was not alone in this coalition; and we do not want to be alone, he added, thus launching an invitation to other parties, groups, organizations, and institutions which share the sentiments expressed by these four leaders in the statement issued 16 Dec 1987.

Bazin noted the government has been talking about national ("awareness), reconciliation, and unity for the past few days. We, too, are in favor of national unity and reconciliation, he said, citing as proof the statement solemnly and officially made by the four leaders affirming they would govern together, regardless of the results of the election in which they might participate. [passage omitted]

[Begin Bazin recording, in progress] ...of our unity? Yes. Reconciliation? Sure. But based on what? At what price? Could it be at the price of forgetting those who died on 29 November? To what, exactly, are we being invited? Are we being invited to forget and to pretend nothing happened? Can we really be asked to wipe the slate clean and blithely start over? Everyone knows—or at least ought to know—that we will not agree to such a bargain, which is as horrible as it is cynical and contemptuous of the lives of our fellow citizens. We therefore take these statements regarding unity and reconciliation for what they're worth, formulas as empty and perverse today as the commitments [words indistinct] for democracy and the promises of free and honest elections were yesterday.

To the innumerable sincere patriots in our country—in our dear and unfortunate country—we say vigorously: Be confident. We will not cut a deal behind your back. We bow down humbly before the victims of 29 November. We will not betray them.

You may count on us. And particularly, do not lose courage. Hang in there. Remain mobilized. The final victory will be ours. All the rest is just ups and downs [words indistinct] agitation. We will be victorious because we are the strongest. We are strong because the immense majority of the Haitian people is with us. They thirst for progress and will never again let themselves be deceived without reacting. They will not let themselves be spoiled without crying out or letting themselves be humiliated without protest. The people will not allow themselves to be bayoneted without breaking their chains.

We are the coalition of the future, in the face of the team from the past and its allies, be they long-standing or recent allies. We are the coalition of change, vis-a-vis the group that is in favor of maintaining privileges.

Democrats of Haiti, we are going to win with you, for you, for Haiti, democracy, our honor, the honor of our country, and for the honor of our children.

In that spirit, best wishes to all of you for a better 1988. Continue to count on us. We will struggle to the end. Happy New year. [end recording]

Groups Comment on Situation, Elections

FL061525 Port-au-Prince Radio Metropole in French 1700 GMT 5 Jan 88

[Excerpts] The representatives of some 50 political and socio-professional organizations held a news conference this morning in connection with the Haitian crisis. (Clarens)?

[(Clarens)] Good afternoon, (Ketly). The news conference was at the Holiday Inn Le Plaza Hotel—its first news conference of the year. This coalition of religious, socio-professional, trade union, and democratic organizations met in connection with the current political crisis.

The speakers, coming together to seek a way to express themselves clearly and in concert, recalled the events which led to the annulment of the 29 November 1987 elections. The goal of the conference was to seek the unity of the entire civilian society—of all its components—to achieve a consensus, to rally together through peaceful means and within legality and respect for the Constitution so as to find a way to bring about a return to lawfulness and constitutionality.

The human rights sector was represented by Jean-Jacques Honorat of Chadel [Haitian Center for the Defense of Freedoms]. Dr Louis Roy was also there, representing Movelh [Volunteer Movement for Free and Honest Elections]. Rev Father Antoine Adrien represented one of the sectors of the Catholic Church. Gabriel Miracle was there as representative of the labor unions. Mr (Antoine Izmery), a merchant, (?represented simple citizens).

Throughout the conference, the panelists stressed the need for the forces currently in place in Haiti and for groups such as youth, socio-professional, political, and union organizations, to get together and reach a consensus to break the current impasse and pull the country out of the political crisis.

[(Clarens), in Creole] [passage omitted] Many questions were asked during the news conference about how they are going to reach this consensus. The panelists answered that was precisely what they were attempting to do now. They said that they had called this morning's news conference first of all to be able to identify the representatives of the principal organizations signing the 31 December declaration [Manifesto of the Haitian People in Favor of Democracy Following the Massacre of 29 November], and to state what they intend to do to attain their objective of preventing the country from continuing to live in disrespect of the Constitution and in unlawfulness.

Alluding to the 17 January elections, Father Adrien Antoine [name as heard] said: We ourselves are struggling in favor of a rule of law, for the respect of the Constitution. We don't want anyone to make us any proposals contrary to the law or to the Constitution.

For his part, speaking for the human rights organizations, Jean-Jacques Honorat said all the 17 January elections will be invalid because (?not all sectors are willing) to participate in them.

The panelists urged organizations in Haiti to get together, for example, to ask the Haitian Armed Forces to respect the Constitution and the integrity of the national territory. They also asked that a new provisional government be formed to guarantee that free and honest elections be held in Haiti.

Political organizations and parties, Haitian communities abroad, and foreign countries friendly to Haiti were invited to come together in a common effort to form a democratic force capable of blocking the way to the forces of darkness.

Father Antoine Adrien said: We want to settle our own affairs. Even though we invite foreign countries to help us, we do not want interference in internal Haitian matters. However, we do ask for assistance. We are asking for both national and international solidarity to resolve this crisis.

Other points were also discussed at this morning's news conference. Now you will hear an excerpt of the statement made by Father Antoine Adrien:

[Begin recording, in Creole, in progress] ...our existence as citizens [words indistinct] because if you cannot count on the force of law, you will have to, as you see that what is crushing you is brute force. After 30 years of dictatorship, after 185 years of a national experience that has been bad, the country declares it is absolutely not going to give way on that point.

All sectors of the citizenry can oppose it. For instance, many groups have spoken out. We have heard from the Catholic Church, the Protestant church, human rights organizations, and unions. All these groups have (?spoken out); but they have spoken out one at a time.

If we are gathered here today it is because we would like to speak out in unison. It is the force of that unity which we are seeking. We think the strength resulting from unity can enable us to accomplish what we have been unable to do up to the present. It can make them listen to us.

Foreign countries have spoken out too as have the Haitian communities abroad. We would like to unite all those voices to say: No, we will not accept a society which is not based on law, not a rule of law, not based on legality. We will not go back to a society based on bayonets, coercion, and brute force.

We would also like to say it is normal for the civilian society to do this. Why? Because, first of all, it is the civilian society which is threatened. Our existence as a society is threatened. A society without force of law is not secure. You personally are not secure in such a society. No one is secure.

It is the society as such that is affected. The private sector, workers, unions, everyone has a vested interest in having a society in which law prevails, in which the Constitution prevails. That is why we are calling for such a society.

Notice the solution they are proposing says to us: Yes, the cities are not important. Even if the cities don't vote the rural areas will. This makes us wonder. Why are they saying this to us? What means are they going to use to make the rural areas vote; because the rural areas also say no.

[Words indistinct] peasants organizations that signed this manifesto.

Why do they want to say this to us? Because it is easier to camouflage your actions in the rural areas. They have crushed the peasants' support. At this very moment, as we talk, the rural civilian society is in hiding, whether they are peasant or church leaders. There are any number of parishes where people, where priests, cannot remain because they do not want them there.

A society not based on law is based on lies, bluffs, and brute force.

The rest of the world, international public opinion, has taken a stand; but we do not want them to come settle our business for us. We do need international solidarity. We are indeed asking for it. We are indeed seeking it. But we do not want anyone to come settle our business for us. [end recording] [passage omitted].

CNG Decrees 31 Jan Date for CASEC Elections

FL062014 Port-au-Prince Radio Nationale in Creole 1400 GMT 5 Jan 88

[Text] According to a National Government Council [CNG] decree dated 31 December 1987, the citizenry is called to elect the members of the Administrative Councils for the Communal Sections, CASEC's, on Sunday, 31 January.

The decree says candidacies are to be declared at the offices of the Courts of Conciliation and filed between 4 and 11 January at the Communal Electoral Offices, the BEC's, under the conditions stipulated by the electoral decree.

Also, individuals challenging a candidacy may file their objections between 11 and 21 January. Negative decisions may be appealed before the Court of Cassation between 21 and 25 January.

The campaign period for the CASEC's begins with the publication of the decree calling to elections and ends on 29 January 1988. Elections for president, senator, deputy, and magistrate remain scheduled for 17 February.

Cayes Electoral Offices Face Problems

FL062151 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Jan 88

[By Cayes correspondent (Jacques Charles Denis)]

[Excerpt] [passage omitted] We have learned from a reliable source that the Departmental Electoral Office [BED] and the Communal Electoral Office [BEC] in Cayes are encountering many problems with the local media which were not encountered by the former BED and BEC. The source says certain local media and and some national media representatives are not willing to broadcast any messages from these institutions.

Reportedly, news releases announcing withdrawal of candidacies are broadcast all day long. News reports unflattering to the BED and the BEC are broadcast repeatedly. However, if the news release is flattering, if a candidate wishes to address his supporters, or if a BED sends a message, these things are not broadcast by the media.

PUCH Books 'Pillaged' in Cap-Haitien

FL062239 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 6 Jan 88

[By Cap-Haitien correspondent (Gerard Mesidor)]

[Excerpt] [passage omitted] In conclusion, we inform you that yesterday, Tuesday, 5 January 1988, at around noon, a group of people of all ages pillaged a container of books that the members of the Unified Party of Haitian Communists [PUCH] had stored in the former residence of Luc Desir in Cap-Haitien with the idea of opening a library. We have not been able to identify the sector to which the pillagers belong.

The books are reportedly a donation from abroad made in 1987.

We have no further details, but we will continue seeking them. Should we obtain further information, we will report it to [words indistinct] 4VAV [call sign for Radio Ave-Maria] and Radio Soleil.

Groups Ask Military Not To Shoot at People

FL062206 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Jan 88

[Text] Several groups have joined to address an open letter to the Haitian military. In the letter, the groups remind the military they are citizens of Haiti; come from among the Haitian people; live among the Haitian people; and, like the Haitian people, are also confronting all kinds of problems.

Thus, the groups ask the military not to fire on the people when the people demand change. In conclusion, they ask the military to hear the cries of the people and support their struggle because the people's demands are the same as theirs, as those of their families and their friends.

The letter is signed, for the committees, by: (Rock Focard), for the Committee of Militant Youth of Port-au-Prince; (Leger Dubuisson), for the Capois La Mort Committee [a hero of the Battle of Vertieres for Haitian independence]; (Louverture Laforet), for the Brain-Teaser Committee [Komite Pelen Tet]; Andre Pierre, for the Wake-Up-and-Arise Committee [Komite Leve Kanpe]; and Jacques Petit, for the Coming Together Committee [Komite Mache Kontre]

PAN To Establish 'Civil Resistance' Groups

PA051442 Madrid EFE in Spanish 0525 GMT 5 Jan 88

[Text] Mexico City, 4 Jan (EFE)—The rightist National Action Party (PAN), the second most important political force in Mexico, will establish camps to train groups in civil resistance for the purpose of defending the vote in the upcoming presidential elections in July.

Raul Monter, a municipal leader of the PAN in the Mexican state of Nuevo Leon, told the press that the formation of civil resistance groups for the upcoming elections is part of the strategy of "nonviolent action" with which his political organization will defend respect for the vote.

Over at least the past 5 years the PAN has constantly charged fraud in the various elections held in the country, and its members have become involved in violent confrontations with the public forces in demonstrations to protest what they perceived to be violations of the people's will.

The PAN leader did not specify the places at which the peaceful resistance groups will be trained, but he said that the training will be given by South Korean leaders and experts and Filipinos who helped to overthrow the government of former Philippine President Ferdinand Marcos.

Manuel Clouthier, PAN presidential candidate for the coming elections, has repeatedly said that his electoral campaign will pave the way for a "peaceful, democratic revolution" in Mexico. He has invited Mexicans to join in the civil resistance that his party has proposed to defend the vote.

As a result of the worsening economic crisis in the past few years, the PAN has been gaining strength, especially in the northern states of Mexico, where there have been confrontations between members of that rightist group and those of the governing PRI, which the PAN has accused of winning through fraud.

Comment on, Reaction to Foreign Debt Bond Plan

Politicians' Reactions Mixed

PA070230 Mexico City UNOMASUNO in Spanish 31 Dec 87 p 5

[Article by Ubaldo Diaz and Raul Correa]

[Text] Opposition deputies have accepted that the subscription of U.S. Treasury bonds by the Mexican Government means, "with certain reservations," a "foreign debt problem relief," "but not the cure of a sickness that has become a cancer." Nicolas Reynes Berezaluce, president of the Chamber of Deputies' Great Commission, noted that among PRI members "there is much trust and hope in the attained restructured foreign debt, because it represents an advancement for the country."

Treasury Commission President Luis Orci Gandara stated that "it is a new door that has important indications for the debt problem's definite solution." He added: "It is an advancement because there are other problems such as: If the country's conditions do not improve, a moratorium can be decreed, as we have already done once before."

The legislator believes that the reported possibility represents U.S. bankers' recognition that the Mexican foreign debt is unpayable under the present conditions. Undoubtedly, we will continue advancing toward resolving this problem. Now we will pay less interest toward servicing the debt, and we can still achieve new forms of payment that will bring more benefits for Mexicans.

Jesus Gonzalez Schmall, coordinator of the National Action Party's parlamentary group, stated that he believed "acceptance of U.S. Treasury bonds for the Mexican debt was very dangerous." He added that as a Mexican, he would rather owe private bankers and negotiate payment reductions with them than to be committed to the U.S. Treasury.

Mexican Communist Party member Jorge Alcocer stated that in principle he did not see anything wrong with this advancement, but it does not provide a total solution to the debt problem. He believes that the Mexican Government must give more information about the amounts to be saved, amounts that will not have to be paid to service the debt; and that many aspects of this possibility are still unknown.

Nevertheless, he did believe that this renegotiation is "aspirin for the cancer that corrodes our national economy. Information from the Treasury Secretariat is limited, because we do not know exactly how the mechanism works, how much it will benefit us, and if it will only postpone our problem. [no closing quotation mark as published] Legislator Jorge Amador of the Cardenist Front, PPS [Popular Socialist Party] member Cuauhtemoc Amezcua, and PRT [Revolutionary Workers' Party] member Efrain Calvo held the same opinions.

PMS [Mexican Socialist Party] presidential candidate Heberto Castillo noted that the purchase of zero-coupon bonds is not a new formula and is only a game of the Mexican Government, a government desperate to continue complying with its debt payments. In his opinion, it would be a novelty if interest rates were reduced. He added that interest payments of $170 million should promptly be halted.

That negotiation is no good, because it will have no effect when new international interest rates are later announced. "I see no advantage in it," he said.

Meanwhile, Carlos E. Cantu Rosas of the Authentic Party of the Mexican Revolution said that any negotiation on the foreign and domestic debt conducted by the government based on 50 percent of the debt, including a

reduction in the service rates, is advantageous for the Mexican people. He added: The parties must be aware of the terms of that negotiation and demand that the agreements always benefit the national majorities.

What those supposedly new mechanisms really do is perpetuate the problem, because deferring the foreign debt 20 years is not the solution. The problem lies on the large sums being spent year after year to cover the foreign debt interest, Cantu Rosas said.

PRI leader Reynes Berezaluce said that any measure adopted will be applauded without any reservation. He added: I believe recent advancements in that field demonstrate the Mexican president's goodwill to continue struggling tirelessly so we can continue working in peace.

Orci Gandara said that although the announcement regarding the bonds is not the solution to the problem of Mexico's foreign debt, it is an important factor toward a final solution.

Business, Labor Leaders Supportive

PA061934 Mexico City UNOMASUNO in Spanish 31 Dec 87 p 7

[Text] Business and labor groups yesterday stated that the new Mexican plan to pay its foreign debts with bonds was "positive." Nevertheless, the Confederation of Mexican Workers (CTM) insisted that only 10 percent of petroleum exports be used for this so the country can have development resources.

Business Coordinating Council President Agustin F. Legorreta rejected a moratorium [on debt payments] as a solution for economic problems because "it will only result in negative consequences for Mexico. Mexico has always obtained concessions from international banks through a dialogue."

He added that if Mexico decreed a "unilateral payment suspension as other Southern cone countries have done we would have negative economic growth because nobody wants to negotiate with a pistol at his head."

The business leader noted that the Mexican purchase of bonds from the U.S. treasury was "a new alternative to resolving a problem that is too big and complex, and for which we do not have a magic wand; foreign debt is not an easy matter to resolve."

Juan Moises Calleja, deputy and CTM legal adviser, plainly stated "my confederation's proposal that our government only use 10 percent of our petroleum exports to pay its financial commitments continues to be valid."

On this subject, Javier Pineda Serino, CTM's assistant labor secretary, did not rule out the possibility that the new mechanism to pay for part of Mexico's foreign debt may be a way to avoid "stopping our payments by decreeing a unilateral moratorium."

He added that he believed that with the sale of U.S. bonds "our debtors will try to recover part of what we owe."

In conclusion, he noted that his confederation would oppose the new mechanism if it set conditions that in any way endangered the country's sovereignty and independence.

The business and labor leaders were interviewed after an Economic Solidarity Pact follow-up and evaluation meeting. According to Pineda Serino, Fidel Velasquez, president of the Labor Congress and CTM leader, was not able to attend the meeting "because of purely personal reasons."

Paper: Plan Represents Progress

PA061635 Mexico City EXCELSIOR in Spanish 31 Dec 87 p 6-a

[Editorial: "Inevitable Progress"]

[Text] The Reagan administration feels the plan announced by the Treasury Department to convert part of Mexico's foreign debt into long-term bonds "will guarantee a solid and lasting recovery" for our economy. Progress, of course, is inevitable, not so much because of the immediate benefits the conversion will have for the debt crisis, but because of the possibilities it opens for the creation of a plan that will be much more advantageous to debtors and creditors in the near future.

The so-called Mexico plan does, in effect, take into account one of the demands made by the countries burdened by financial commitments and by the most brilliant analysts of the international debt crisis; Brazil made a similar proposal months ago in an effort to alleviate its crisis. If this path was rejected before it was because the commercial banks saw it as an admission that a large part of the resources they had loaned would never be recovered.

Now, the results of the new mechanism will depend on negotiations with the individual banks. Mexico may follow the example of J.P. Morgan and exchange the debt for 20-year bonds according to the current value of the Mexican debt on secondary markets. For us, it is true, the conversion means neither salvation nor the assurance that the financial nightmare has been overcome, but it does mean great qualitative progress.

Guatemala

Cerezo Announces Social Reforms for 1988

PA070212 Panama City ACAN in Spanish 1445 GMT 4 Jan 88

[Text] Guatemala City, 4 Jan (ACAN-EFE)—In a "New Year's message" broadcast on a radio and television network, Guatemalan President Vinicio Cerezo defined 1988 as the "year of social reforms."

In his message last night, Cerezo said "1988 will be the year of economic reactivation, salary improvements for workers in cities and in the countryside, generation of more jobs, construction of roads in rural areas, and provision of more services."

Cerezo briefly referred to what he defined as "improvements and achievements in different spheres attained by the various sectors of society."

Among these accomplishments, Cerezo mentioned "greater freedom, which people have misused many times, but which has been respected by the authorities as never before in our history."

Cerezo also referred to an "increase in the exchange rate, which has allowed Guatemala to successfully face the requirements from abroad and to provide more goods to the Guatemalan people."

He noted the achievements concerned with the stabilization of the currency as a "very significant point." The president also reiterated that these achievements "allow us to anticipate that in the next few months we will reach an exchange rate of 2.25 quetzals to the dollar."

When Cerezo was sworn in on 14 January 1986, the exchange rate was 4 quetzals to the dollar, and the tendency was toward a rise in the rate. The government halted this in October 1987 when it officially stabilized the exchange rate at 2.50 quetzals to the dollar. Government officials are now planning to reduce it by 0.25.

Cerezo said opposition to his government's economic measures "is coming from small groups seeking a return to the past, when people lived under repression, fear, restrictions, and were subject to assassination."

He added that "with the systematic opposition seeking to create the people's distrust of the authorities, there is indeed a danger of returning to the past." Nevertheless, Cerezo stated "he is confident that the people will defend what they have achieved."

Cerezo also mentioned the "problem created by those who oppose the increase in electricity rates (40 percent). These people do not want to accept that this measure is now necessary due to the harm caused by incorrect policies in the past."

"This increase in electricity rates is a clear example of how such groups operate. They are responsible for this increase, because they raise the cost of living with their speculation and inconsistencies as businessmen by increasing prices excessively."

Cerezo asked people "to direct all protests against these bad Guatemalans, for we are aware of the existing dissatisfaction that is about to burst out. This dissatisfaction is due to the underground work of these small groups to undermine the bases of democracy."

Cerezo concluded by saying: "People must have confidence in their government, which will implement social reforms this year. People should not believe the disinformation disseminated by small groups of liars and disrespectful citizens."

Nicaragua

President Dicusses Verification Commission

PA062350 Managua Radio Sandino in Spanish 1200 GMT 6 Jan 88

[News conference by President Daniel Ortega with unidentified reporters in Managua on 5 January—recorded; broadcast in progress]

[Text] [Ortega] I think it is very important that the International Verification and Follow-Up Commission, which is touring the Central American countries—in this case, Nicaragua—has come into direct contact with the suffering of the Nicaraguan people, with the suffering we are all experiencing. We feel in our own flesh the suffering of Nicaraguans who are dying at this very moment due to mercenary attacks by the U.S. Government; the suffering of the boy who is being murdered, of the girl who has been mutilated like the other girl we presented to the commission today.

I believe that following the signing of the agreement on 7 August in Guatemala, the U.S. Government has constantly and flagrantly violated the accords. New attacks have been made against our people, attacks that are openly announced by State Department spokesmen who have no compunction about being spokesmen for U.S. policies. In other words, they no longer leave the job of spokesman to the contras. State Department spokesmen were the ones that announced the seizure of the mines and the attacks against the Nicaraguan people. They were announcing lies, but they were announcing nevertheless. Their statements were lies, because the mines had not been seized. However, they did stage an attack against the people for the purpose of seizing the mines. During this attack, civilians, children, elderly people, boys, and girls—like the ones I presented tonight to the Verification and Follow-Up Commission—were mutilated.

All of this goes against the efforts of the Nicaraguan Government and the will of the Central American governments to fulfill the Esquipulas agreement. It is within the will of the Central American governments to fulfill the Esquipulas agreement. However, the U.S. President, the American (?people), and the U.S. Congress are carrying out actions that go against the will of the Central American governments, therefore violating the Esquipulas agreement as well as rejecting international law and the International Court of Justice. The U.S. Government has continued its criminal policies against the Nicaraguan people. I could describe President Reagan as Herod, the modern Herod that is... [changes thought] the atomic Herod, the Herod that is there, murdering Nicaraguan children during the Christmas festivities and having them murdered.

We believe that the visit of the Verification and Follow-Up Commission to Central America is proof that Esquipulas continues to work overall. That is proof.

[Reporter] What would happen if on 15 January, the Central American presidents concluded that the document signed in Guatemala has not been completely fulfilled? Is it a fatal (?deadline), or will you try to extend it?

[Ortega] There is no fatal deadline. We knew very well that it was difficult to carry out all those agreements 100 percent. That is why we decided to meet on 15 and 16 January. This meeting was planned on 7 August 1987, and was scheduled to be held 150 days after agreement was signed. Therefore, these talks were and are programmed with the purpose of learning about the evaluation the International Verification and Follow-Up Commission made. The commission will tell us: We believe things are going this or that way. It will make certain recommendations, and the Central American presidents will be obliged to accept the evaluations and recommendations, taking them into account, to continue fulfilling the agreements.

[Reporter] Commander, news agency reports dated today in Tegucigalpa cite the statements of department officials that portions of damaged counterrevolutionary planes that were attacked by the Sandinist comrades are being buried in El Aguacate. The reports also state that counterrevolutionaries are moving from one place to the other to hide the wreckage of the aircraft, and that there is an entire counterrevolutionary movement in Honduran territory. What is your opinion about this?

[Ortega] If things are that way, it would mean that the Esquipulas agreements have a certain strength, have a certain strength [repeats himself]. It would mean that the agreements impose a certain respect and that there is a willingness to fulfill them. This is what we are hoping for, that there is a willingness to fulfill them.

[Reporter] Commander, the (?commission) has not inspected the [words indistinct] for example, the northern and southern borders.

[Ortega] That depends on the Central American governments. The Nicaraguan Government agrees that the Verification Commission can conduct surprise in situ inspections anywhere.

[Reporter] Then why did the commission not do this?

[Ortega] Because right now there is no reciprocity on the part of other Central American governments.

[Reporter] But is Nicaragua still willing to accept the inspections?

[Ortega] Yes, we continue with the same disposition, and we urge all the other Central American governments to accept the inspections so that the commission can conduct surprise in situ inspections anywhere. This way we will be granting the commission the confidence it needs to work efficiently.

[Reporter] Commander, does this have to be simultaneous? In other words, if the commission tomorrow requests that you let it inspect the northern border with Honduras, what would you say?

[Ortega] If Honduras agrees to this, if the other countries agree to an inspection, then we would fully agree to it.

[Reporter] Commander Ortega, today 14 political parties delivered their protest to the International Verification Commission. They claimed that the Nicaraguan Government has not fulfilled the Esquipulas agreement. What is your opinion of this?

[Ortega] You know very well that here in Nicaragua we have some opposition groups and parties that are controlled by the CIA and that have clear rightist, pro-Yankee, prointerventionist attitudes. Therefore, we are not surprised by this action of these parties. They want to cover the sun with one finger, while everyone knows that their activity and the opportunity they enjoyed for holding a dialogue convoked by the government itself—this has not been broken by the government—is proof that Nicaragua is fulfilling the Esquipulas agreement.

[Reporter] [Words indistinct] of the contra movement has said that if on 15 January... [corrects himself] if the deadline for fulfilling the Esquipulas agreement is extended, the movement will not accept it, since this would be another trick or strategy of the Sandinist government. The contra stated that the government will try to extend the fulfillment of the Esquipulas agreement to gain time and to succeed in implementing the plan you have in mind. What do you think about this?

[Ortega] It is the same old story that the U.S. Government has been telling for a long time. It is the position of the U.S. Government; the U.S. Government has made those statements. It is a pretext the U.S. Government uses to avoid supporting or respecting the Esquipulas agreement. However, even without the Esquipulas accords there is still the ruling of the International Court of Justice, which urged the U.S. Government to halt all kinds of actions against Nicaragua. The U.S. Government, however, has not abided by this.

[Reporter] The contras insist on meeting in a Central American country that is neither Belize nor Guatemala. They again have reiterated their wish.

[Ortega] Neither Belize nor Panama, you mean?

[Reporter] Neither Belize nor Panama, excuse me.

[Ortega] We are willing to continue working to attain a cease-fire agreement. The contras have not carried out what was agreed on with Cardinal Obando y Bravo concerning the proposal the cardinal made at the meeting of the foreign representatives of the Nicaraguan Government with the contra representatives. We went to the Dominican Republic, and they did not carry out what was agreed there. We said that if the meeting cannot be held in the Dominican Republic, since it is a long and risky trip for Cardinal Obando y Bravo—considering what happened during his last trip—it should then be held in either in Panama or Belize. They have refused to attend these meetings. This clearly shows the position of the U.S. Government, which is not interested in promoting a peaceful resolution of the conflict.

[Reporter] Commander, do you believe that the verification [words indistinct] in 24 hours?

[Ortega] It is important to obtain a consensus of the Central American countries to allow the Verification Commission to conduct a surprise visit at any time, in any area of any of the Central American countries, and to [words indistinct] the commission to travel to those areas without any tricks or traps. That is what matters. I think we would then advance more rapidly in fulfilling the agreements when that day comes.

[Repor] But, for example, here in Nicaragua we more or less know what is happening. The commission will not visit war zones, but what will happen when it visits Honduras or El Salvador, where the problem is much more serious?

[Ortega] Right now the members of the International Verification and Follow-Up Commission are visiting the Central American countries. However, this visit is limited to certain contacts. They cannot reach conclusions that the Central American [words indistinct] could consider to be violations of the agreements.

Therefore, we must work hard to proceed to a new phase in which the commission will have the option of visiting those areas that will be indicated by other Central American governments. We must work hard so that members of the commission can visit these areas very quickly and without inconveniences.

[Reporter] [Words indistinct] members of the commission before your explanation and the visit to the region?

[Ortega] I cannot judge the attitude of the commission, because that is up to the commission itself. The commission will present its report at the presidential meeting, so I cannot speak for its members.

[Reporter] What does the Nicaraguan Government expect from the commission?

[Ortega] I hope it will grow stronger. I believe its visit to the Central American countries is proof of its confidence, and I hope the commission succeeds in conducting in situ inspections. This is what we are hoping for.

Verification Commission Holds Meetings

Obando y Bravo Reports

PA070430 Managua Radio Sandino in Spanish 1930 GMT 6 Jan 88

[Text] Nicaraguan Cardinal Miguel Obando y Bravo has told the members of the International Verification and Follow-up Commission that the Sandinist government has not completely fulfilled the regional peace agreements.

Obando y Bravo, head of the Nicaraguan National Reconciliation Commission—which is responsible for carrying out the Esquipulas II agreement—today stated that on 5 January he presented his personal report on the implementation of the accords to the International Verification Commission.

The National Reconciliation Commission yesterday met in Managua with the members of the International Verification Commission.

During that meeting, the National Reconciliation Commission did not present an official report, but instead only the statements of each of its members.

Erick Ramirez Comments

PA060233 Managua Radio Sandino in Spanish 2031 GMT 5 Jan 88

[Text] Alberto Campo now tells us something about what took place this morning during the meeting between the International Verification and Follow-Up Commission and the National Reconciliation Commission at the Cesar Augusto Silva Convention Center in Managua.

[Begin recording] [Campo] I had the opportunity to speak with several members of the National Reconciliation Commission this morning. We have here an interview with Erick Ramirez, member of the Social Christian Party and the National Reconciliation Commission, after the two commissions concluded their meeting. In a document circulated among reporters, the parties reiterated what they have asserted since the Esquipulas accords were signed: the need for a general amnesty, lifting the state of emergency, and following up the national dialogue that the opposition parties suspended. Here is Ramirez about the proposals of the parties, as well as those of Cardinal Miguel Obando y Bravo. It was impossible to interview the cardinal since he attended the funeral of the priest Uriel Reyes, who died in Pochomil yesterday. Ramirez said that the cardinal reported several allegations of human rights violations. Here is Ramirez:

[Ramirez] The meeting basically concerned regional security and the possibility of demobilization in Nicaragua. The members of the Verification Commission were very interested in the national dialogue and its possible success. The dialogue gives a chance to all national political sectors, including the government, to reach some type of agreement. Some remarks were made about whether a constitutional amendment process in Nicara-g..a is possible. This was brought about by the members of the Verification Commission. We made the corresponding clarifications.

[Question indistinct]

[Ramirez] Not explicitly, but we said that the existence of the state of emergency that suspended individual and collective rights is part of the national crisis and the war.

[Reporter] What does the president have to say about [words indistinct]?

[Ramirez] They clarified some things. The vice president said the government has not flatly refused the opposition's demands on constitutional amendments. The vice president also noted that there has apparently been a lack of information. The members of the Verification Commission asked the vice president to explain the remark that they would not hand over their office if and when elections were held in Nicaragua. He responded with an unclear explanation. We pointed out, however, that we are certain that the FSLN would emerge the loser in eventual elections in Nicaragua. If we hold elections, we trust the international community would back the opposition. We are also certain that the FSLN would lose power if elections were held in Nicaragua.

[Words indistinct]

[Ramirez] He gave a general description of systematic violations of human rights in Nicaragua, torture, detention, persecution, pressure, and threats. He also said that freedom of information in Nicaragua is still lacking. It is true that LA PRENSA and Radio Catolica have been reopened. This does not mean, however, that freedom of information is fully in force in Nicaragua. There are no privately owned television stations. Radio news commentaries have continued to be suspended. The church's report was broad enough. It acknowledged some of the progress that has been made within the pacification process in Nicaragua.

[Reporter] What did the vice president say about lifting the state of emergency?

[Ramirez] He said nothing. Nevertheless, we clearly stated that one way to achieve peace in Nicaragua is to lift the state of emergency.

[Reporter] Two questions. First, do you think this meeting with the Verification Commission will help establish new measures for the peace process? Second, [1-second break in reception]?

[Ramirez] We visited New York 1 month ago, on 5 December, and presented a detailed report of the deteriorating situation in Nicaragua over the past few months. I think there is a great difference between the New York meeting and this one. Members of the Verification Commission have asked many questions. The New York meeting dealt with subjects in a general manner. I think there is a more marked interest this time. The visit of the Verification Commission to Nicaragua will undoubtedly have strong repercussions. This is because the commission is observing the progress of the fulfillment of the Guatemalan agreements in each country [words indistinct] Nicaragua. [end recording]

Visits Business, Rights Groups

PA061751 Managua Domestic Service in Spanish 2300 GMT 5 Jan 88

[Text] The members of the International Verification and Follow-Up Commission [CIVS] ad hoc delegation have just completed a working session during which they heard a report from the National Commission for the Promotion and Protection of Human Rights. This report was presented by Dr Vilma Nunez de Escorcia. The meeting has just ended.

The businessmen turned politicians who are members of the COSEP [Higher Council of Private Enterprise] also met this afternoon with the members of the ad hoc CIVS commission who are touring Central America to verify compliance with the Esquipulas II agreement.

The businessmen told the CIVS members that there is no private enterprise in Nicaragua, that the national dialogue is not making any progress, and that there has been no cease-fire. According to [COSEP member] Ramiro Guardian, the businessmen also told the CIVS members that there is no freedom of expression in Nicaragua. [COSEP member] Enrique Bolanos Geyer said they also

told the delegation that they have asked the Sandinist government to permit them to have a television channel and a newscast on Radio Mundial.

Bolanos Geyer, a landowner, also called for a reconciliation of the Nicaraguan family, as if it were possible to forgive a Somozist Guardsman who has killed a Nicaraguan. Let them remember that the people do not have amnesia and that they do not forgive or forget their killers and executioners.

Vice Foreign Minister on Peace Process

PA051515 Managua Radio Sandino in Spanish 1200 GMT 4 Jan 87

[Text] Nicaraguan Vice Foreign Minister Jose Leon Talavera has said that the warmongering policy of the White House must be stopped. He stressed the importance of the upcoming summit of Central American presidents in San Jose, Costa Rica, which will be an opportunity to show how our country has complied with the Esquipulas agreement.

Vice Foreign Minister Talavera also said that tomorrow's meeting between the members of the International Verification and Follow-Up Commission and the members of the National Reconciliation Commission is vital.

[Begin recording] [Talavera] We believe this meeting of the CIVS—the acronym for the International Verification and Follow-Up Commission—is very important in the struggle for peace being waged by the Central American people. This commission is the mechanism that the Guatemalan agreement established to verify and follow-up the commitments that our and the other Central American presidents agreed to.

The commission—which is made up of the deputy foreign ministers of the Contadora and Support Groups and the Central American countries, and high-level representatives from the United Nations and the OAS—will be leaving Panama tomorrow. They have met there today and will hold their first working session in Costa Rica. They travel to Managua on 5 January and from here will visit the remainder of the Central American countries. We believe the commission should play a prominent role in this process by clearly identifying which countries are complying with the Esquipulas agreement, and to what extent, and which countries are not. We are also confident that in the case of Nicaragua the commission will be able to attest to our government's willingness and determination to comply with its obligations. In addition, the commission will also verify a well-known fact, which is the use of Central American territory to continue attacks against our country. It will particularly verify the additional millions [for the contras]—which received so much publicity and with which the United States continues staining its hands with blood, by persisting in its attacks against our country.

[Reporter] Some of the opposition's ideologists have said that there are various factors helping to create confusion about the Central American conflict. For example, it is believed that there is an arms buildup, that there is a North-South conflict, and that U.S. security is at stake in Central America. In reality, what is the main role played by the Central American presidents in dealing with this U.S. policy?

[Talavera] Undoubtedly, since the crisis has worsened, it has become very complex. This has led to a long negotiating process through the Contadora and Support Groups that reached a critical point in July 1986, when efforts came to a standstill. This was due to the intransigence of the Reagan administration's policy for the region. However, the summits of the Central American presidents—Esquipulas I and II—brought new hopes for finding a solution to the crisis. We believe it is now important to keep the negotiations alive. In that regard, the upcoming presidential summit in Costa Rica on 15 January should produce new and positive results for exerting the needed pressure which—in the long run—will convince the U.S. Government that it should change the attitude it has held during the past few years. This is because the Nicaraguans and the other Central American people want, and have a right, to live in peace.

Within that context, we believe that this is the first of the 1988 efforts that will include a Central American tour by the International Commission. In the case of Nicaragua, the commission will meet with representatives of the various political parties, with the media, with the National Reconciliation Commission, and with the business and labor sectors. During its visit the commission will gather information on our peace process. We hope that its report will be useful on 15 January so that the Central American presidents can have a favorable climate for making decisions to provide Central America with real possibilities for achieving peace.

Our people are convinced that this is not an easy task. However, we believe that as long as our government shows its desire for peace and dialogue and, as our slogan for 1988—Our desire for peace with dignity—says, in the long run all of this will be influential. Maybe in 1988 we will persuade the U.S. Congress and the Reagan administration to change the policy of terror that the United States has promoted in Central America.

As for the arms buildup, we believe it is only logical and natural that during difficult times like these, and based on the particular needs of each country, there should be an accumulation of war materiel. In our specific case, we have done so to protect our revolution, to safeguard what our people managed to achieve with so much sacrifice in July 1979. However, a new climate of peace and security will have to be achieved through negotiations to establish normal and natural levels of security for every country. In that regard, Nicaragua is not opposed to the United States presenting its security concerns so that

they can be taken into consideration during the negotiations. We have insisted all these years that what we demand is our right as a sovereign people to chose our own path and destiny. It is very difficult for the United States to accept this, since for decades it has been used to a system of international relations characterized by arrogance and the interests of our peoples being trampled.

[Reporter] Comrade Talavera, what importance do you attach to the opinion of some opposition leaders who contend that a domestic dialogue among all Nicaraguans, including Somozist mercenaries, would bring the war to an end, meaning that President Reagan would then be seen as a meddler in our domestic affairs?

[Talavera] Among other things, I can tell you that the International Commission will confirm that Nicaragua has been the only Central American country that, immediately after the agreements were signed, initiated a broad national dialogue with 14 opposition parties. During the past few months no other Central American country has conducted such an interesting political exchange of ideas such as the one we had in Nicaragua. This exchange has now been suspended due to the intransigence of the rightist parties.

We believe it is clear to the international community that this crisis is not a problem to be resolved between the small parties in Nicaragua and our revolutionary government. The international presence—in this case the Reagan administration—is obvious through what has become a routine budgetary action that includes allocating millions of dollars to promote this war. For example, the 1988 budget allotment for the counterrevolutionary forces is several times larger than the sum budgeted for some Central American armies. So I cannot see how the small parties in Nicaragua can change this policy. We believe it will only be altered when those who conduct or devise that policy decide once and for all to establish relations with our country. Those relations must be based on the sovereign equality of states, in accordance with international law, and particularly on the basis of respect for our dignity and sovereignty. [end recording]

Interior Official on CIA-Rightist 'Contacts'

PA062120 Managua BARRICADA in Spanish 5 Jan 88 pp 1, 4

[Unattributed article: "Main Achievement of the Nicaraguan Ministry of Interior in 1987: Dismantling Internal Fronts."]

[Excerpts] In its struggle against espionage, the Nicaraguan Ministry of Interior discovered over 200 direct contacts between CIA officials from the U.S. Embassy and right-wing leaders and parties during 1987. In an annual assessment, the Ministry of Interior indicated that its main achievement was preventing the counterrevolution from forming an internal front.

Brigade Commander Rene Vivas, vice minister of interior, told BARRICADA that after the signing of Esquipulas II, the CIA has promoted, supported, and financed rebel political activity in Nicaragua. The many frustrated enemy plans included plots to murder revolutionary leaders, but none of these had the opportunity to seriously develop.

Commander Vivas added that despite an even more difficult situation than in 1986, since economic problems also affected us, other achievements have added to the work of our organizations. One such achievement is the struggle against crime. The Sandinist police succeeded in raising its success rate for solving the most serious crimes to 88 percent, even though the national crime rate increased 20 percent.

Roughly three of every four crimes were solved, and Managua's overall crime rate declined from 60 percent to 44 percent compared to the rest of the country. Crime rates increased in the various regions. [passage omitted]

Commander Vivas yesterday stated that the CIA has led the Nicaraguan right wing to serve as points of attack against the revolution, mainly within the framework of Esquipulas II, the total amnesty, and the repudiation of the Patriotic Military Service.

While presenting a general report on the various operations the Ministry of Interior carried out during 1987, Commander Vivas said that the CIA has been leading to and promoting the violation of the state of emergency statute. It has also increasingly encouraged political activities, and has been spreading a message with counterrevolutionary connotations, one very similar to those handled by the U.S. Administration.

Vivas stated that this activity, which increased after the signing of Esquipulas II, has been carried out by U.S. Embassy officials within Nicaragua—"not through the ambassador's activities, but by officials whom we consider to be CIA officers."

Similarly, the operations have been aimed at obtaining military information "about the arrival of the Soviet MIG's, the national defense system, and EPS weaponry. These activities have sought to create and nourish alleged divisions within the FSLN National Directorate. This has been a constant goal of the CIA: to present division within the FSLN National Directorate."

Vivas added that another CIA activity concerns having the right wing insistently claim that Nicaragua has not lived up to the Esquipulas agreement and having the right wing not acknowledge the steps made by the government.

While further explaining the Ministry of Interior's most important achievement during 1987, which concerns preventing the opening of counterrevolutionary internal fronts, Commander Vivas noted that while the enemy

has emphasized political subversion, the Ministry of Interior's combatants have strengthened the security mechanisms to protect the revolutionary leaders.

There have been signs of possible attacks against our leaders, but none of these have been carried out, not even a serious attempt, for all of them were detected in their early stages. Vivas did not give the exact number of frustrated attacks, but he said that their detection is due to the security mechanisms, which sometimes upset people, that have been developed.

"Those attacks have been one of their goals, and if they have not been successful it is not because they lacked the desire."

The work of the state security services during 1987 was completely oriented toward preventing the formation of counterrevolutionary internal structures. Therefore, the armed mercenaries in the mountains areas continue to be the enemy's basic force.

Without linking the urban CIA operations to the mountain activities, Commander Vivas said that the enemy efforts to open an internal front were systematic. Vivas added that the discovery and confiscation of large amounts of explosives, grenades, and other weapons destined for sabotage activities was the product of the work of the Interior Ministry. Enemy sabotage operations generally took place near urban areas, including the destruction of high-tension towers and telephone lines.

Vivas added that the failure of the contra movement's greatly-advertised attempt to establish an internal front was so evident that the counterrevolutionaries had to use members of their armed groups to carry out acts of sabotage near the urban areas. [passage omitted] (endall) 5 jan mcf/ross/ceb 06/2201z jan

Denby Statements to Security Groups Cited

PA061827 Managua EL NUEVO DIARIO in Spanish 5 Jan 88 pp 1, 8

[Text] In his statements to state security organizations, U.S. citizen James Jordan Denby has suggested an open link with the counterrevolution. This link is one in which he has lent his airplane and a vehicle to transport wounded mercenaries posing as members of the Sandinist Army to a hospital in Costa Rica, and supplied them with military emblems.

However, in his statement, the mercenary did not admit that his aircraft was "downed" by Sandinist naval fire in San Juan del Norte. He claims to have landed there due to bad weather.

The mercenary said that he was in El Castillo when the Sandinist people's revolution triumphed. There he bought property from the Moreira family. He still owns the land, but it is registered under the name of Bruce Jones Bradford, who manages Denby's farm in Costa Rica.

Denby said he arrived in El Castillo 3 years ago with construction materials to repair a house on the property he bought, but that Sandinist police warned him not to return there.

He said that in 1984, the counterrevolution established a camp known as Tango 1 and 1/2 km from his Costa Rican farm. This camp was later moved to an area near the mouth of the Machuca River, where he met traitor Eden Pastora.

Denby said that on that occasion, Pastora told him about the counterrevolution's internal problems which stemmed from economic "aid" supplied by the United States.

He said U.S. Colonel Carl Golnick told him about a Betamax he had purchased and asked him to take shots of the contras, but Denby refused to do so. Denby added that in 1984 and 1985 he had lent his plane and a vehicle to transport wounded mercenaries posing as Sandinists to a hospital in Costa Rica.

As for an article he wrote entitled "Five Detainees," he said that it refers to the formation of an internal front against Nicaragua, one comprised of five people: two of them members of the British Army (Davis and Gobert), two U.S. citizens, and a Frenchman.

Denby said the internal front failed because Davis was sentenced to 5 years in prison and Gobert was released.

As for the emblems found on him when he was captured, Denby said that he bought them for the counterrevolutionaries in Costa Rica at a military supply store in the United States. He did this because on one occasion he met Tito Chamorro, who asked him for a busby with a colonel emblem he was wearing, causing him to give it to Chamorro. [sentence as received]

Denby added that once in Costa Rica, he gave the emblems to several counterrevolutionaries and certain U.S. citizens, whom he called "The Army of Rio San Juan" from that point on.

As for his flight schedule on the day that he was captured, Denby said that he overflew Nicaragua from Cabo Gracias a Dios and Coco River to Laguna de Perlas.

Denby claims that due to adverse weather conditions, while 35 km from Rama he changed course along the sea toward Monkey Point while maneuvering to evade the storm.

Finally, Denby said that he had decided to return to Costa Rica but that an engine began to fail and then stopped. At that moment, he saw a beach, landed, and was captured by soldiers.

However, he mentioned nothing about the gunshots that forced him to make an emergency landing on Nicaraguan territory.

UN Ambassador Astorga Said 'Gravely Ill'

PA070450 Hamburg DPA in Spanish 2146 GMT 5 Jan 87

[Text] Managua, 5 Jan (DPA)—Sources at the Nicaraguan Foreign Ministry today reported that Nicaragua's ambassador to the United Nations is gravely ill in Managua.

The ambassador arrived at the Nicaraguan capital this past weekend. She is suffering from localized cancer in her thorax, and people close to the 39-year-old diplomat consider her condition to be very grave.

During the past 2 years Nora Astorga has been her country's ambassador to the United Nations. Before that she was the Nicaraguan vice foreign minister.

'Liberal' Paper PASO A PASO Restarted

PA062220 Managua Radio Noticias in Spanish 1200 GMT 5 Jan 88

[Text] Joaquin Mejia, director of PASO A PASO, announces the return of this newspaper to our listeners:

[Begin recording] We are pleased to announce PASO A PASO will appear on Saturday. PASO A PASO will represent a contribution toward a balanced journalism that is also characterized by diversity. We have decided to publish a liberal weekly, not an exclusive weekly for a political party. The newspaper will be characterized by a broad liberal outlook and criticism, but without fanaticism or hate. The weekly will be published within the framework we advocate: a peaceful and democratic solution to our problems.

The new and diverse segments—within a limitation of 16 pages—will be aimed at achieving what you might call a miracle: We will treat political issues in depth without being boring, and we will also include topics that some people might consider trivial but that are of interest to our youth. This includes information about singers, show business, etc. We think that this is also necessary, for we cannot talk to the people about the problem of the war on a 24-hour basis. However, we are certainly interested in resolving the problem of the war. [end recording]

Panama

Columnist Says U.S. Ambassador Davis 'Liar'

PA061705 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Jan 88 pp 1, 6

["Let the People Judge" column by Ricardo Lince: "Another Liar"]

[Excerpts] By all appearances, the speech that U.S. Ambassador Arthur Davis delivered to the U.S.-Panamanian Chamber of Commerce a few weeks ago, which was published by LA ESTRELLA DE PANAMA on Tuesday, is an attempt to ease the dangerous tensions that the date 9 January generates.

Davis stated that he had been exposed to the danger of political demonstrations and not-quite-common criticism by the Panamanian press because the United States has its sights trained on Panama's future beyond the year 2000.

The ambassador speaks as the representative of President Ronald Reagan, who shares responsibility for U.S. foreign policy along with Congress, as Davis himself has told the press. Therefore, his statements include these limitations.

Davis' exact words were that the United States wants full democracy to prevail in Panama. (end of quote). [sentence as published] And, of course, the only price for strengthening Panama's political and economic institutions is to have the United States as KING in this "DEMOCRATIC VIEW OF SECURITY."

Davis notes that the Torrijos-Carter Treaty has the force of law, but he also adds that it is subordinated to one law: No 96-70. This is a confession that displays the false bases of the U.S. position. [passage omitted] We shall see if the Soviet Union allows Congress to amend the treaty it has just signed with the United States.

Davis asserts that the United States operates the Panama Canal at no profit, and therefore joins the Liars Club in his own right. The various profits the United States obtains from exploiting this geographic resource of Panama are so colossal that it will never be possible to list them. These benefits are attained through an unrestrained management of the interoceanic waterway, thus resulting in a Panamanian subsidy to the United States.

Argentina

Central Bank Adopts Minidevaluation System

PY061937 Buenos Aires CLARIN in Spanish 6 Jan 88 p 14

[Text] The Central Bank yesterday formally launched a policy of periodic minidevaluations—known as "crawling-peg" [preceding word in English] in the technical jargon—to gradually adapt exchange rates to the inflationary rhythm of the economy.

Yesterday the austral was devalued 0.8 percent. The exchange rate remained fixed after the strong devaluations that preceded and accompanied last October's shock measures until 30 December, when a devaluation of 7.16 percent carried the exchange rate of the austral to 3.74 and 3.76 [buying and selling prices, respectively]. Yesterday's minidevaluation raised the exchange rate to 3.77 and 3.79.

If the Central Bank orders four more adjustments in January equal to the one ordered yesterday, the exchange rate will rise by 4 percent. The government thinks prices will rise by this 4 percent during the month. The 30 December devaluation should then be computed as a cumulative correction for the 1 and 1/2 months the fixed exchange rate was in operation.

The change of policy, from the freezing to the "crawling-peg," was expected from the beginning of December because of the noticeable accumulation of inflationary pressures on the economy. Nevertheless, its implementation was feared because it implies a virtual indexing of the economy. Experience in this regard shows that this strategy rapidly causes the acceleration of the rhythm of inflation. That was why the 7.16-percent adjustment was delayed until the end of the year. Economists estimate that the commercial exchange rate of the dollar is high, given the current evolution of prices, and this has little historical precedent.

Trade Balance Falls 70 Percent Jan-Sep 1987

PY050141 Madrid EFE in Spanish 0032 GMT 4 Jan 88

[Text] Buenos Aires, 4 Jan (EFE)—The National Institute of Statistics and Census (INDEC) today reported that Argentina's trade surplus dropped 70 percent during the first 9 months of 1987 as compared to the same period the previous year.

The INDEC, a government organization, reported that between January and September 1987, Argentine exports dropped 10.8 percent as compared to the same period in 1986, while exports [as received] increased by 22.7 percent.

According to the INDEC report, the Argentine trade balance surplus dropped from $1.948 billion to $588 million.

Fishing Vessels in South Atlantic Seized

Japanese Boat Apprehended

PY051824 Buenos Aires DYN in Spanish 1730 GMT 5 Jan 88

[Text] Buenos Aires, 5 Jan (DYN)—According to sources of the naval prefecture, a Japanese fishing boat was caught operating illegally in Argentine waters and was being towed to a port in the South Atlantic this afternoon.

The fishing boat was identified as the Japanese-flagged "Seyan-51." It was apprehended off Punta Medanos.

ROK Vessel Seized

PY060240 Buenos Aires TELAM in Spanish 2137 GMT 5 Jan 88

[Text] Buenos Aires, 5 Jan (TELAM)—An Argentine Coast Guard boat, identified as the "GC-28," today seized a South Korean boat operating in south Atlantic territorial waters, and confiscated 62 tons of squid.

The Argentine Coast Guard reported that the incident took place shortly after 1600 on the high seas off the Valdez Peninsula, where the South Korean fishing ship "6l-ZD," under the command of Captain Yang Chae-pom, was found to be operating illegally.

The Argentine Coast Guard ship issued a detention order for the captain of the fishing boat and the 27 crewmen under his command, and the order was obeyed.

Bolivia

COB Calls Off 7 January General Strike

PY070254 Madrid EFE in Spanish 0240 GMT 6 Jan 88

[Text] La Paz, 6 Jan (EFE)—The COB has decided to call off the indefinite general strike that was scheduled to begin tomorrow, 7 January, by accepting the government's proposal for dialogue.

The COB made this decision today. COB Executive Secretary Simon Reyes made the official announcement, saying that in a general meeting leaders agreed to negotiate with the authorities on the list of socioeconomic demands presented to the government.

Yesterday, Bolivian President Victor Paz Estenssoro ordered that a dialogue be opened with the workers to discuss the 1988 national budget and the labor demands. The meeting will begin on 7 January.

Planning Minister Gonzalo Sanchez has announced a 15-percent increase in the basic salary.

The COB requested that salaries be increased to 543 Bolivian pesos (about $272) per month, that the budget for public health and education be increased, that unemployed workers be paid a bonus, and that state companies not be sold to the private sector.

After announcing the lifting of the strike, COB leader Simon Reyes said that this measure will last as long as the dialogue is maintained. However, he did not rule out the possibility that if the dialogue fails, the COB will implement other measures of force.

Cabinet Resignations Denied

PA062010 Paris AFP in Spanish 1747 GMT 6 Jan 88

[Text] La Paz, 6 Jan (AFP)—Bolivian Foreign Minister Guillermo Bedregal today denied that the cabinet will resign over the threat of an indefinite general strike that the members of the ruling Nationalist Revolutionary Movement (MNR) believe will begin tomorrow.

There have been persistent rumors during the past few hours about an "imminent" cabinet crisis as the government of President Victor Paz Estenssoro is facing a possible strike that has been staved off because negotiations will presumably start tomorrow.

Bedregal told AFP that he cannot resign when talks with the COB to avert a strike for wage increases, jobs, and other social demands are about to begin.

However, labor leaders believe that a clash between the COB and the government might be inevitable because the democratic regime refuses to make its neoliberal policy, which is coupled with the freezing of wages and salaries, more flexible.

Planning Minister Gonzalo Sanchez de Lozada, who is a mining businessman, said that increasing salaries to $250 per month, as demanded by the COB, would force the nation's general treasury to pay $4.5 billion in 1988 while exports will only total $450 million.

Labor leaders pointed out that $250 covers the cost for staple items, and it is impossible for a working family to survive on the current basic salary of $25 per month.

Sanchez de Lozada said that salaries could increase 15 percent in 1988 while the inflation rate will remain at 10 percent, as was the case in 1987.

Meanwhile, Paz Estenssoro's economic plan is now being criticized by people and institutions closely linked to the government.

Nuflo Chavez Ortiz, second in command of the MNR and ambassador to Peru, said the country's economic reactivation plan is "upside down" because it will be started by a tertiary [terciario] sector and not by agriculture and industry, as it should be.

General Hugo Banzer Suarez, leader of the conservative ADN, which is allied with the government, asked Paz Estenssoro to make his economic policy more flexible and subsidize the price of bread, the price of which increased 3 weeks ago.

The Confederation of Private Businessmen accused the government of announcing imaginary foreign credits because although they exist in theory, such credits are not likely to be disbursed because of the restrictive conditions under which they must be used.

Foreign Minister Bedregal himself said that although the government's economic policy is basically correct, it should take the social costs of the crisis into consideration.

Bedregal reportedly confided to his close friends that should he resign, he would return to the parliament as national deputy to defend MNR policy as leader of that party's faction in the wake of the disaster suffered by the government in the 6 December municipal elections.

Political sources noted that Sanchez de Lozada and Bedregal have been clashing with each other because they are vying for the MNR presidential candidacy for the May 1989 election.

Paz Rejects "Irregular" Government Changes

PY051819 Madrid EFE in Spanish 0323 GMT 5 Jan 88

[Text] La Paz, 4 Jan (EFE)—Bolivian President Victor Paz Estenssoro today said any attempt at irregular changes in the Bolivian Government would amount to "suicide," adding that those who bet on such changes in 1988 are dreaming and not looking objectively at reality.

The president gave this warning today during a speech to the diplomatic corps accredited in Bolivia, which came to Government Palace to offer their end-of-year protocol salute.

Paz Estenssoro said stories about Bolivian democracy being in imminent danger of collapse in 1988 are devoid of credibility because "Bolivians are convinced the institutional path is not only a political slogan, but the best mechanism for serving the interests of the population."

The president admitted, however, that his administration in 1988 "will not be without risks."

Paz Estenssoro stressed that "social restlessness, fueled by political interests that ignore the economic progress and what is happening in the rest of the world, is the danger we must be wary of."

Paz Estenssoro said that during 1987 the government had to adopt economic adjustment measures that had repercussions in the social sphere, but he added that despite the difficult circumstances "this administration has never distored the democratic essence of the government."

"One of our most important achivements, after controlling a hyperinflation without parallel in Latin America, has been the maintenance of the institutional and democratic system in the midst of great difficulties," the president said.

Paz Estenssoro emphasized that in 1987, for the first time in 7 years, we were able to reverse the downward spiral of poverty, with a 3-percent increase in the GDP.

President Not To Seek Reelection in 1989

PY060302 Madrid EFE in Spanish 2019 GMT 5 Jan 88

[Text] La Paz, 5 Jan (EFE)—Gonzalo Simbron, a leader of the ruling Nationalist Revolutionary Movement (MNR) party, today said that Bolivian President Victor Paz Estenssoro will not seek reelection in the next general elections scheduled for mid-1989.

Simbron ruled out the possibility that Paz, 82, who has served four presidential terms between 1952 and 1987, will again become an MNR presidential candidate in Bolivia.

Simbron said that the current planning minister, Gonzalo Sanchez de Lozada, and Foreign Minister Guillermo Bedregal, both of whom are leading opposite trends within the ruling party, are being considered instead of Paz.

Sanchez de Lozada is being described by progressive MNR sectors as the main architect of the "neoliberal" economic policy, and, according to party sources, Guillermo Bedregal also has the support of a large MNR sector.

Simbron also ruled out the possibility that the current vice president of the Republic, Julio Garrett Ayllon, would run for president.

Simbron said, however, that "in politics nothing is final until the very last minute."

Political sources have commented that the current vice president is not viewed favorably by the U.S. Embassy.

Armed Forces Not To Increase Narcotics Fight

PY051428 La Paz La Red Panamericana in Spanish 1130 GMT 5 Jan 88

[Text] Armed Forces Commander in Chief Jorge Rodriguez Bravo has said the Bolivian Armed Forces will not increase the number of troops assigned to the fight against drug trafficking.

Bravo told the press that the institution does not plan to increase its participation in the fight against drug trafficking because of various internal factors.

Bravo said the Armed Forces, however, fully support the new government organizations created for that purpose.

Brazil

Sarney, Finance Minister Speak at Swearing In

PY070015 Brasilia Domestic Service in Portuguese 2100 GMT 6 Jan 88

[Text] New Finance Minister Mailson Ferreira da Nobrega was sworn in today and was advised by President Jose Sarney to, among other things, reduce public expenditures and fight inflation.

The key suggestions made to the new minister by President Sarney were to stave off recession, impose austerity to reduce public expenses, overcome pessimism, and fight inflation.

[Begin Sarney recording] First, to meet our priority commitment to development, we must fight with all available means recession and inflation—which is the monster that for so many years has been destroying our economy; not only that of Brazil but of all Latin American countries. Every day we must redouble our efforts, which have run into many difficulties. I have advised the new minister to impose austerity measures on our expenditures in order to streamline the administrative machinery realistically but not spectacularly. [end recording]

President Sarney also advised the new finance minister to faithfully implement the federal budget, which as of this year will be taken from government jurisdiction and transferred to that of Congress in order to curb the public deficit.

[Begin Sarney recording] What each of us, and the finance minister and the government in particular, must do is to faithfully implement the budget. In addition, we must strictly follow our plan regarding the deficit. I want to tell you, Mr Minister, that your task, as you yourself pointed out, will not be easy. It will be very difficult. It is difficult to manage the economy today anywhere in the world. [end recording]

Finally, President Sarney praised Mailson da Nobrega who, although born to the family of an illiterate farmer from Paraiba, is today assuming one of the highest government positions, thanks to his own efforts. Thus, the president wanted to stress that the country can appoint a finance minister without the influence of any economic group.

As he took over the post of finance minister today, Mailson Ferreira da Nobrega affirmed that inflation is an evil which must be fought doggedly.

[Begin Nobrega recording] Inflation corrodes salaries, discourages investments, threatens the balance of external accounts, pushes the country to recession, distorts the economy, and jeopardizes the moral and spiritual values of the nation. The public deficit is not the only factor which fuels inflation, but is nevertheless one of its main causes by inadequately pressuring aggregate demand. The government as a whole must try to reduce it. Alone, the Finance Ministry will never succeed in reducing the public deficit. [end recording]

As for the foreign debt, Mailson da Nobrega said miracles cannot be expected, but with hard work the country will find a way out.

[Begin Nobrega recording] Miracles cannot be expected in the area of the foreign debt. A solution will demand much work, time, patience, determination, and intelligence. We have to believe a solution can still be found and we have to finally convice ourselves that remaining on good terms with the international financial community serves the interests of our development. [end recording]

The finance minister also emphasized that he does not intend to propose new experiments. He contends that plans already exist and the only thing required is to implement them and constantly adapt them to new circumstances.

Australia Grants 5 Chilean Refugees Asylum

PY071053 Rio de Janeiro O GLOBO in Portuguese 6 Jan 88 p 7

[Text] Five out of the 27 Chilean refugees who have been occupying the office of the UN High Commissioner for Refugees (UNHCR) in Rio de Janeiro have been granted asylum. Cabinetmaker Carlos Octavio Lizama, 33, his wife, and his three children will leave for Australia in approximately 1 week, the time that the Australian Government will need to provide them with tickets.

According to George Lennox, UNHCR director for South America, the Canadian, Norwegian, and Australian Embassies have not yet given a final answer to the asylum requests of the remaining refugees.

Carlos Lizama said he received a prompt answer from the Australian Government because he had sent his asylum request to the Australian Embassy 9 months ago. Alberto Parada said the remaining refugees will begin a new hunger strike if their request for asylum is not resolved immediately.

Chile

Reversal of U.S. Decision on Sanctions Sought

PY042259 Santiago Radio Chilena Network in Spanish 1600 GMT 4 Jan 88

[Text] About 1,000 workers will lose their jobs in Chile in the wake of the U.S. Government decision to exclude Chile from the Generalized System of Preferences [GSP]. The Industrial Development Association, SOFOFA, reported this situation, and it said it will ask for the support of the ILO and U.S. industrialists in an effort to reverse the U.S. Government decision.

The SOFOFA executive board has revealed that the 600 workers of the Manufactured Goods Exporters Association will be most affected; then, the 170 workers of the Association of Metallurgical Manufacturers; followed by the approximately 260 workers in the sector that manufactures health products for export.

The executive board reasserted that the sanctions are purely political, not based on any technical reason; furthermore, they will not change Chilean labor legislation. SOFOFA will request support from the ILO, the Council of the Americas, the U.S. Chamber of Commerce, and U.S. industrialists so that the sanctions will be lifted.

The Chilean organization said the decision to remove Chile from the GSP will have no more than an emotional impact on the Pinochet government, considering that the country's labor legislation is far superior to that of the United States and Great Britain.

Businessmen Resist Sanctions

PY051546 Santiago Domestic Service in Spanish 0930 GMT 5 Jan 88

[Text] Manuel Feliu, president of the Production and Trade Confederation, has said Chilean businessmen will give their full support to the national government in its efforts to nullify the U.S. measures to eliminate Chile from GATT [as heard].

He made this announcement after meeting with Foreign Minister Ricardo Garcia at the Foreign Ministry. The meeting was also attended by Fernando Aguero, president of the Industrial Development Association; Sergio Markmann, president of the National Banks Association; and Jose Moreno, president of the National Agricultural Association.

[Begin Feliu recording] We are really worried about this issue, and we want to cooperate with the Foreign Ministry to report this situation to international organizations such as GATT and the ILO, and even to the U.S. congressmen who have been to Chile in the past and had an opportunity to talk with us. We are also going to contact the people who have some power to exert pressure in the United States, such as the banks to which we owe money. Obviously the U.S. sanctions are not the best way for the banks to get their money. If we are under pressure, we will not be able to export. Therefore, [words indistinct] we hope to give them a thorough briefing on what is really happening here, whether we really violated legal norms on labor rights, or whether this is really a discriminatory measure against Chile. [end recording]

Asked about the concrete actions national businessmen are going to take to nullify the discriminatory measures against Chile, Manuel Feliu said:

[Begin recording] The first task is to get to the bottom of the issue. Second, we will probably lobby the people who have connections in the United States to inform them about our real situation [words indistinct] on this issue. We are also going to inform GATT and the ILO about the position of Chilean businessmen. We will inform business organizations of the Americas, the Caribbean, and Europe about this situation, which really affects our international trade. We are expecting solidarity from Latin America and actions [words indistinct]. [end recording]

Feliu was optimistic about the the power of GATT to make the U.S. Government end the protectionist measures.

Decision Said 'Discriminatory'

PY060024 Santiago Domestic Service in Spanish
2200 GMT 5 Jan 88

[Text] New ECLA Executive Secretary Rosenthal has said that the U.S. measure to remove Chile from the GSP is arbitrary and discriminatory.

This measure affects Chileans exports. Rosenthal added that the UN is opposed to measures of this nature. [recorded passage indistinct]

The ECLA executive secretary made this statement as he left the Foreign Ministry, where he met with his predecessor, Ernesto Gonzalez, and Foreign Minister Ricardo Garcia.

Minister Seeks ILO Help

PY062239 Santiago Domestic Service in Spanish
1600 GMT 6 Jan 88

[Text] Labor Minister Alfonso Marquez de la Plata has requested to the ILO that any action to control the labor situation in a country be carried out within the framework of the ILO, not outside it. This is stated in a letter sent by Minister Marquez to ILO Director Francis Blanchard.

The letter officially informs the ILO of the measure adopted by the United States to remove Chile from the GSP because it does not believe our country respects international labor rights.

Minister Marquez' letter also explained that Chile recently consented to all the control procedures of the ILO despite the existence of a clearly political maneuver. He nonetheless expressed our country's interest in remaining an ILO member because it contributes to the improvement of labor conditions.

The letter states that an ILO member—the United States—has disregarded all ILO control procedures and judged for itself labor rights. Chile also expressed its concern regarding the effectiveness of the ILO control system. The real objective of the U.S. measure, the letter states, is not connected with labor rights, but with a policy of protectionism that will seriously affect the economic development of Chile and Chilean workers.

In conclusion, Minister Marquez requested that studies be carried out with the purpose of applying the labor control measures within the framework of the ILO.

Finance Minister Announces Economic Measures

PY051444 Santiago Domestic Service in Spanish
0930 GMT 5 Jan 88

[Text] A 4-percent devaluation of the Chilean peso goes into effect today, according to an announcement last night by Finance Minister Hernan Buchi, who was accompanied by Economy Minister Manuel Concha and Central Bank President Enrique Seguel.

The official explained that in addition to the devaluation, which is aimed at increasing exports, customs tariffs have also been reduced from 20 to 15 percent starting today.

[Begin Buchi recording] In order to emphasize exports and to neutralize their initial effect on the cost of imports, the Central Bank has decided, effective 5 January, to increase by 4 percent the exchange rate in accordance with Item 7, Chapter 1 of the international exchange regulation. Therefore, from now on the exchange rate will be readjusted daily in accordance with the difference between the foreign and domestic exchange rates. A decision was also made to increase by 3 percent the higher and lower limits of the Central Bank's sale and purchase of foreign currency because, as everyone knows, the exchange rates in the markets fluctuate freely within those limits. [end recording]

Buchi added that the exchange rate devaluation will help maintain the competitive position of national production in accordance with exports, which are protected by a 20-percent surcharge system to neutralize foreign subsidies. Central Bank President Enrique Seguel said that with the devaluation the new official exchange rate is 243.97 pesos.

Minister Buchi also made an evaluation of his administration in 1987, saying the inflation rate in December was 0.3 percent [figure as heard]. He added that overall inflation rate for 1987 was slightly over 21 percent, and the unemployment rate was 8.5 percent for the September-November period. He also said the macroeconomic goals related to the trade balance, current accounts deficit, and a 5.4-percent growth for 1987 were fulfilled.

Buchi then talked about the macroeconomic program for this year:

[Begin recording] The macroeconomic program for 1988 is aimed at maintaining economic growth of 4 to 5 percent with the expansion of employment. Inflation is expected to reach from 15 to 20 percent, but we admit there are problems with making faster improvements in this field. We also expect to reduce the foreign debt as a result of the trade surplus and the mechanism for purchasing and converting the foreign debt. [end recording]

Buchi concluded by calling on the productive sector, businessmen, and workers to continue their efforts to help the country develop and to eliminate extreme poverty because exports, investments, and savings are the best roads for development.

Parties, Groups View Plebiscite, Strategies

PDC Sets Course of Action

PY052051 Santiago Radio Chilena Network in Spanish 1600 GMT 5 Jan 88

[Text] The Christian Democratic Party [PDC] has decided to recommend that people vote no in the upcoming plebiscite. At a news conference, PDC President Patricio Aylwin pointed out that the party's National Council also decided to promote the following actions: to coordinate actions by democratic parties leading to their participation in the electoral process through effective political leadership by their presidents and through mass social mobilization with the broadest participation of social organizations in favor of electoral registration in order to defeat the current regime and to ensure a democratic triumph; to strengthen the ongoing campaign for free elections, or to vote no if the plebiscite is held, without neglecting the civic-moral role that should continue to be played by the Committee of Personalities; to take the necessary actions to ensure the existence of minimum guarantees to make the plebiscite valid according to the terms that have been proposed by the Chilean Episcopal Conference, especially regarding the timing of the plebiscite, the rules that will govern it, and the observance of public liberties; to ensure opposition access to communication media, mainly television; to formalize the intention of the parties that subscribed to the basic government program to constitute a coalition to offer the country an alternative government, open to the future support of other democratic leftist and rightist parties; and to hold consultations leading to an agreement on a procedure to designate a standard bearer or a candidate, with the understanding that such designation might or might not favor a member of the PDC.

Further on Aylwin's Remarks

PY052328 Santiago Radio Chilena Network in Spanish 1600 GMT 5 Jan 88

[Passages within quotation marks recorded]

[Text] Christian Democratic Party [PDC] President Patricio Aylwin has demanded that the government set dates for the upcoming elections when the minimum number of voters have registered. He made this demand as he announced his party's decision to call for a vote of no at the upcoming plebiscite:

[Aylwin] "One of the bases for a juridical system is that it provide some security as to what and when things will happen. To keep us under the constant threat that the plebiscite might be held at any time is something that we categorically reject. We think the commanders in chief of the Navy, the Air Force, and the Army and the director of the Carabineros have good reason to say that the elections will be legitimate only if more than 6 million people have registered and the elections are not held before next September. If the objective is to drag us into a head-on confrontation, we have to accept a head-on confrontation. We will remain respectful, but we will clearly speak the truth."

The PDC president emphasized that the decision to vote no at the plebiscite can be modified if the government agrees to hold open elections:

[Aylwin] "If at any given time the regime should resolve, as I think it will still do, to hold open and competitive elections instead of a plebiscite [sentence as heard]. Some of President Pinochet's advisers are telling him that open elections would be in his favor, to avoid what is happening in South Korea, and that he would more likely avoid a defeat by competing with two candidates rather than competing against the no votes. Some advisers are pointing this out to him. If he finally does resolve to hold open elections, we obviously will consider it as a positive move, because we want free elections. We view the plebiscite only as a initial step, imposed by the stubborness of the regime and of Mr Pinochet."

Aylwin noted that following the Chilean Episcopal Conference's demand to stop personal acrimony, he thought that General Pinochet would change his attitude.

[Aylwin] "He continues to issue insults. In his speeches he refers to some sectors of the country as traitors. I don't know with what moral authority he asks the communications media to stop disparaging some people when he is the one who keeps disparaging people. His subordinates follow his example, beginning with the interior minister, who even goes so far as to seriously offend the Catholic Church."

Aylwin then criticized Pinochet's nationwide campaign to extend his regime and the way he is utilizing the Armed Forces in order to attain his objective.

[Aylwin] "I believe this is something serious for the country and the Armed Forces. I think in the face of this attempt to extend his regime by staying in power, the democratic parties have no other alternative than to say no to Pinochet, to vote no at the plebiscite. However, we will contunue to struggle to have free elections, because we believe that free elections are the road leading toward democracy."

Finally, Patricio Aylwin announced that the PDC decided at its National Council to compile the collection of signatures necessary to register the party as soon as possible.

Socialist's Nunez Cited

PY051345 Madrid EFE in Spanish 0042 GMT 5 Jan 88

[Text] Santiago, 4 Jan (EFE)—Ricardo Nunez, secretary general of the moderate faction of the Chilean Socialist Party, tonight spoke over a radio network and called on his followers to cast "no" votes in the presidential plebiscite this year.

Nunez said he is sure "the majority of Chileans want freedom, and the regime knows it will be beaten in any election."

Nunez added that President Pinochet "wants to extend his term for another 8 years, and he is pressuring the government junta to nominate him."

According to the current Constitution, the commanders in chief of the Army, Navy, and Air Force, along with the director of the Carabineros, will designate a single candidate who, if victorious, will assume the presidency on 1 March 1989.

If the official candidate is defeated, Pinochet's mandate will be extended for another year. At the end of this term, new and open elections will be held to elect a president and members of Congress.

Ricardo Nunez said: "Coexistence in Chile has been hurt by 14 years of dictatorship," and he added that the military regime is internationally isolated.

He said the recent U.S. economic sanctions abolishing tariff exemptions and insurance for U.S. investments in Chile are a response to the Chilean Government's failure to fulfill its promises.

Nunez recalled that the September 1976 murder in Washington of former socialist Foreign Minister Orlando Letelier and his U.S. secretary, Ronni Moffit, has not been cleared up yet. During the investigation of the case, a Washington court established the involvement of Chilean secret police agents in the attack on Letelier. Two Chilean agents were sentenced as a consequence, but they have already served their sentences and been released.

Nunez encouraged all Chileans to support the Party for Democracy to "supervise the elections called by this government."

MAPU Proposes Opposition

PY050233 Santiago Radio Chilena Network in Spanish 1600 GMT 4 Jan 88

[Text] The MAPU [United Popular Action Movement] has made a proposal to all democratic forces to oppose the upcoming plebiscite.

In its seven-page proposal, the MAPU establishes six conditions that the opposition must demand from the regime in order for the MAPU to participate in the plebiscite.

These conditions include: the disclosure, at least 6 months in advance, of the name of the official candidate and the electoral rules or procedures of the plebiscite; the abrogation of the state of exception, which restricts freedom of the press, bans the right of assembly, and restricts movement; the right to hold rallies and campaigns for free and democratic elections and the right to register to vote without ideological or economic exclusions; unrestricted and equitable access to the mass media, especially to the television stations, in order to offer an alternative to the pro-Pinochet campaign; guarantees that the opposition can observe voter registration before the plebiscite, post representatives at the balloting stations, and participate in the vote count that is to be carried out by a ballot board; and, finally, guarantees that there will be an electoral tribunal which, in addition to its current representatives, will include an equal number of trustworthy democratic individuals.

In addition, the MAPU states that the opposition itself must establish conditions to participate in the upcoming plebiscite, bearing in mind that the opposition cannot be sure the government will voluntarily enforce these guarantees. These conditions include a united call to vote "no" in the upcoming plebiscite if there is an informed consensus that it is possible to defeat the fraud. Otherwise, active nonparticipation must be pursued, demanding free elections; establishing an alternative system to control the elections by fully engaging the opposition's resources in this effort; taking advantage of all possible legal rights; coordinating opposition parties that are in the process of registering now, and those that intend to register; and coordinating the activities of the national committees for free elections, the social movements, and the nongovernmental organizations. This coordinating effort includes the movement for free elections, the MAPU states.

The drive for free elections must continue. According to the MAPU, the opposition must responsibly express to the nation whether a no vote in the plebiscite will actually entail the holding of free elections, which involves General Pinochet's immediate withdrawal; a democratic constitutional change; the signing of a democratic political commitment; and an agreement on governability, nonexclusion, social justice, and human rights.

In conclusion, the MAPU notes the need to establish democratic electoral control centers in every municipality, province, and region, and to examine those centers to correct deficiencies.

Bomb Explosion at Linares Town Hall Reported

PY070039 Santiago Domestic Service in Spanish 2200 GMT 6 Jan 88

[Excerpt] A powerful bomb exploded this morning at Linares Town Hall, causing windows in the O'Higgins building to shatter. The shock wave also affected the offices of the Community Education Department, the recruiting quarters, the office for School Assistance and Scholarship, the Women's Committee Secretariat, and the neighborhood Unity Board Office.

The O'Higgins building is located behind the Linares Cathedral, and offices of all volunteer organizations and other Town Hall offices are located in it.

Local authorities, led by Governor Colonel Guillermo Sanchez Rojas, the mayor, and the local police chief went to the site of the explosion to see for themselves the effects of the terrorist act carried out by worshippers of violence at night, under cover of darkness. [passage omitted]

Colombia

Government Protests to U.S. on Restrictions

PA061950 Madrid EFE in Spanish 1835 GMT 6 Jan 88

[Text] Bogota, 6 Jan (EFE)—The Colombian Foreign Ministry today sent a protest note to the U.S. Government over U.S. customs restrictions on the importation of Colombian products in retaliation for Jorge Luis Ochoa's release in Bogota a week ago.

The protest note was delivered to Phil Maclean, U.S. charge d'affairs in Bogota, early this afternoon.

Shipments of Colombian flowers, seafood, bananas, and other perishable products have been subjected to ill treatment and close inspections at U.S. airports in the past few days, which has caused great losses for Colombian exporters.

Colombian Justice Minister Enrique Low Murtra called the U.S. measures baseless and unreasonable.

The United States yesterday announced that all Colombian imports will be "carefully inspected," in clear retaliation for Ochoa's release. Ochoa is one of world's biggest drug traffickers and Washington had asked for his extradiction.

The State Department announced that the Customs Service will increase its inspection "because of our concern that Jorge Ochoa and other Colombian drug traffickers will be encouraged with his release and, consequently, increase their activities."

Airplane passangers arriving in the United States from Colombia are also subjected to close inspections.

Ochoa, arrested on 21 November in Colombia, was released on 30 December on a writ of "habeas corpus" filed by his lawyers and accepted by a Bogota judge. The U.S. Government called this decision "disgusting."

The Colombian Government issued new arrest orders last night for the following people: Jorge Luis Ochoa, Pablo Escobar Gaviria, and three other leaders of the so-called "Medellin Cartel."

3 'Medellin Cartel' Leaders Report to Judge

PA070004 Madrid EFE in Spanish 2340 GMT 6 Jan 88

[Text] Bogota, 6 Jan (EFE)—Three of the five principal leaders of the "Medellin Cartel," against whom arrest warrants were issued last night for extradition by the Colombian Government, went before a judge today, Radio Caracol reported.

According to the station, which did not give details but promised more later, Pablo Escobar, Fabio Ochoa, and Juan David Ochoa went before a judge today.

It is not yet known why they went before a judge and what the judge's decision was.

Pablo Escobar is considered by the U.S. narcotics police (DEA) as number one of the "Medellin Cartel," an organization that the DEA considers responsible for 80 percent of the cocaine smuggled into the United States.

Detention Not Ordered

PA070040 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 7 Jan 88

[Text] Three members of the so-called Medellin Cartel, against whom Colombia's justice minister yesterday issued arrest warrants, had presented themselves to a Medellin judge on 29 December. [date as heard] The judge, on a request from them, obligingly allowed them to testify on activities related to drug-trafficking and did not order their detention.

This is the same judge who granted the attorneys of Jorge Luis Ochoa the certificates they used to force the justice minister to suspend Ochoa's arrest warrant. The judge is Maria Cecilia Cadaviz Montoyo. Her office is Office 45 of the Medellin Criminal Court of Justice.

The three accused men who appeared before her on 29 December are: Fabio Ochoa Vasquez, Pablo Emilio Escobar Gaviria, and Juan David Ochoa Vasquez.

The judge is investigating the 25 criminal charges that the United States has filed against the three citizens, but she found no reason to detain them.

Correction to Justice Minister on Ochoa Release

The following correction pertains to the item "Justice Minister Speaks" under the headline "Further Reports on Reaction to Ochoa Release," published in the 6 January Latin America DAILY REPORT, page 27:

column one, paragraph four, line four: ...acknowledged by the U.S. House of Representatives Subcommittee on Western Hemisphere Affairs. However, the government... (correcting name of organization)

Paraguay

Minister Defends Drug Policy, Political Process

PY070214 Asuncion ULTIMA HORA in Spanish
6 Jan 88 p 13

[Text] Two high-level government officials this morning stated that they were not aware of any negotiations aimed at accepting large quantities of toxic or chemical waste from the United States.

Foreign Minister Carlos Augusto Saldivar and Public Health Minister Adan Godoy Jimenez gave the same explanation on the issue. Upon leaving Government House, Minister Saldivar said to journalists: "I do not know anything about that."

Minister Godoy stated: "I know nothing about that, and I do not think that this report is true. It seems to me that this information is completely unfounded. I do not know the intention behind it, nor do I know anything about this," he repeated.

Saldivar was also asked for his opinion on the remarks of Elliott Abrams, U.S. secretary of state for Latin American affairs [title as published], who criticized the Paraguayan political process and its fight against drug trafficking. Saldivar stated: "We have undertaken an open and loyal struggle against drug trafficking which the United States has recognized. We recently signed an assistance agreement, which has already been put into effect. We have fought against all obstacles, including the opinion of some U.S. sectors, to return narcotics-processing chemicals that come to Paraguay," Saldivar stressed.

He added: "The will of the Paraguayan Government prevailed here, and those chemicals were sent back. We are struggling against drug trafficking openly and daily, and the United States has recognized that. We are working together with the United States, which is completely aware of what we are doing. I feel that any other opinion responds to vested interests or misinformation."

Saldivar was also asked about the remarks that Abrams made in Washington on the Paraguayan political situation and his criticism directed at the slowness of the process toward a real democracy. Saldivar said: "We accept criticism only from Paraguayan people. I have said that the country cannot be ruled from abroad. Paraguayan problems are analyzed and resolved by Paraguayans." The health minister also made statements on the prevention campaign the Health Ministry has implemented to avoid a possible dengue outbreak.

PLRA Leader Charges Election 'Agreement'

PY061618 Asuncion EL DIARIO in Spanish
6 Jan 88 p 10

[Text] During a press conference yesterday, Miguel Abdon Saguier, head of the PLRA [Authentic Radical Liberal Party] "Popular Mobilization for Change" Movement, gave details of the results of next February's elections which, according to him, have already been arranged between the Liberal Party "participating factions" and the official Colorado Party. "Information from different sources has allowed us to anticipate the 1988 election results. According to the data, representatives of the militant faction of the Stroessnerist Colorado Party, the Radical Liberal Party, and the Liberal Party have reached an agreement on the distribution of supposedly elected positions and the percentages that each will obtain in next February's elections," Saguier said.

Saguier added: "According to the report, the Colorado Party will obtain between 90 and 91 percent of the votes, the Radical Liberal Party between 5 and 5.5 percent, and the Liberal Party between 3 and 3.5 percent. The results will show 0.75 to 1.25 percent blank (or null) votes and 89 to 91 percent participation."

Saguier said the opposition will gather less than 9.5 percent of the votes, and that within the opposition the Radical Liberal Party will get 65 percent of the total. Saguier gave the names of those who will be members of congress representing the opposition. The Radical Liberal Party will have the largest representation.

Saguier also said the agreement "goes beyond electoral concerns to cover the whole spectrum of political issues that the supposed opposition parties must accept. The purpose of the agreement is to preserve the system in the face of foreign criticism and to check the action of the popular movements called "irregulars." [quotation marks as published].

Saguier said negotiations were conducted by Ezequiel Gonzalez Alsina, Martin Chiola, Eugenio Jacquet, Oscar Bajac, Osvaldo Vazquez, Ramon Lezcano Torres, Emilio Forestieri, and Joaquin A. Burgos, among others.

Saguier added that the agreement includes a series of mutual concessions. He also recalled that Liberals were warned by Gonzalez Alsina not to participate in the reform of the Electoral Law.

Liberal Party President Joaquin Atilio Burgos said Saguier's accusations were "ill-intentioned," and he denied all the allegations. "We are not annoyed because we always behave according to our Liberal spirit. Our position regarding the reform of the Electoral Law is known to the public, and we are not afraid of anything. We have never been involved in scheming with anyone. We trust our people."

Radical Liberal Party President Emilio Forestieri dismissed Saguier's allegations, saying that he is "rambling" as usual. Forestieri said his party does not need to enter into arrangements with anybody: "We participate in the process because we trust the Radical people," he concluded.